



2025 ANNUAL REPORT

THE ART OF THE **POSSIBLE**



SAME MISSION SINCE 1914.

NEW POSSIBILITIES EVERY DAY.

NYSIF provides workers' compensation, disability and paid family leave coverage to New York State and beyond — and we've been doing it for over 110 years. NYSIF is the largest workers' compensation insurance carrier in New York State, among the top 10 in the nation, and an industry expert. Covering 2 million workers employed by 200,000 employers, NYSIF provides unsurpassed customer service to policyholders and injured workers. We serve as a guaranteed source of coverage, ensuring our expertise is available to all businesses and workers at the lowest possible price. NYSIF also strives to achieve the best health outcomes for the injured workers we serve.

**Guaranteed and affordable coverage for New York.
Today and always.**

2025 ANNUAL REPORT

FINANCIAL HIGHLIGHTS

WORKERS' COMPENSATION FUND

(in thousands)

	2025	2024
Net Written Premium	\$ 1,604,770	\$ 1,690,272
Net Earned Premium	\$ 1,676,124	\$ 1,704,151
Net Investment Income	\$ 836,266	\$ 916,808
Net Income	\$ 577,502	\$ 793,536
Total Admitted Assets	\$ 25,026,921	\$ 24,044,988
Total Surplus	\$ 12,267,594	\$ 11,407,165

DISABILITY BENEFITS FUND

(in thousands)

	2025	2024
Net Written Premium	\$ 110,548	\$ 106,994
Net Earned Premium	\$ 112,463	\$ 115,788
Net Investment Income	\$ 19,031	\$ 18,638
Net Income	\$ 25,898	\$ 38,718
Total Admitted Assets	\$ 540,189	\$ 504,230
Total Surplus	\$ 429,417	\$ 398,859

MESSAGE FROM THE CHAIRMAN

Kenneth R. Theobalds

NYSIF's strength lies in our ability to successfully execute and fulfill our mission as New York's premier workers' compensation insurance provider and our commitment to the people who make that happen.

THE ART OF THE POSSIBLE

Workers' compensation posted strong results in 2025, again outperforming other sectors of the property and casualty insurance market. This competitive environment highlighted our need to deliver the highest degree of quality, responsiveness, innovation and customer service to our policyholders, the state's injured workers and their families.

We continued to challenge ourselves – to create new products and services, develop the means to pay injured workers faster, investigate ways to help policyholders access account information on the go, lower costs for our disability benefits policyholders and reduce the impact of climate change on worker safety.

NYSIF moved forward with innovation, dedication and compassion. Our management team embraced and modeled a full-spectrum solutions approach, acknowledging that great ideas can come from our entire family of employees, who quote new policies, process claims, conduct audits, answer customer queries, safeguard data and information technology systems, work to fight fraud, and so much more.

EXPANDING OPPORTUNITY AND ACCESS

We recognize that strong investment outcomes come from diverse perspectives and giving talent—not just size—the opportunity to compete. In 2025, NYSIF continued to exceed the Minority- and Women-owned Business Enterprise (MWBE) participation goals set by the New York State Governor's Office and this Board of Commissioners. We reaffirmed our commitment to help MWBEs succeed in New York as we promoted diversity as part of fulfilling a core value of delivering strong financial returns and great service to NYSIF customers. For

fiscal year 2025-2026, NYSIF achieved a 30% rate of MWBE participation among asset managers, financial institutions and professional service providers. We also continued to exceed the New York State MWBE and Service-Disabled Veteran-Owned Businesses (SDVOBs) utilization goals of 30% and 6%, respectively. In contracting and procurement, NYSIF achieved a 55% utilization rate for MWBEs and 24% rate for SDVOBs.

NYSIF continued its outreach to cultivate new relationships with outstanding MWBEs and expand opportunities, in part by hosting an MWBE Investment Symposium and providing opportunities throughout the year for managers to meet one-on-one with NYSIF investment professionals. Our goal is to expand opportunity and access as we seek the best investment returns.

A LEGACY OF SERVICE

When I review NYSIF's accomplishments over the past year, I am proud and grateful for our employees. They were not satisfied with past achievements and did not become complacent about success. They acknowledged a job well done and then looked around to see what more they could do – to better serve our policyholders, to enrich their customer experience and make lives easier for our injured workers. Then they rolled up their sleeves and got to work.

Thank you to the NYSIF family for helping to advance a better future for our policyholders and the injured workers that we serve. Thank you to my fellow commissioners who serve with passion and distinction, bringing their varied experience and expertise to the NYSIF mission. Thank you Governor Kathy Hochul for your leadership and steadfast focus on improving the fortunes of families and all New Yorkers.

Kenneth R. Theobalds,
Chairman
NYSIF Board of Commissioners

NYSIF BOARD OF COMMISSIONERS



Chairman
KENNETH R. THEOBALDS
PRESIDENT & MANAGING PARTNER
RiverRun Partners, LLC



LOLA BRABHAM
PRESIDENT
Commission on Independent
Colleges & Universities



JOSEPH CANOVAS
**ASST. TO THE PRESIDENT
& SPECIAL COUNSEL**
New York State AFL-CIO



ERIC DINALLO
PARTNER
Debevoise & Plimpton LLP



SEAN A. GRAHAM
SENIOR INVESTMENT OFFICER
Cornell University



NAVNEET KATHURIA, M.D.
CEO & PRESIDENT
Optimal Analytics



DAVID OURLICHT
**MANAGING DIRECTOR &
SPECIAL ADVISOR TO THE CHAIR**
GAMCO Asset Management



ALEXIS E. THOMAS
CEO & FOUNDER
Preston Hollow Consultants



SCOTT B. MELVIN
EXECUTIVE DEPUTY COMMISSIONER
New York State Dept. of Labor

MESSAGE FROM THE EXECUTIVE DIRECTOR & CEO

Gaurav Vasisht

NYSIF is the largest workers' compensation insurance carrier in New York State. Combined with our disability benefits and paid family leave coverage, **NYSIF impacts the lives of millions of families and thousands of businesses** each day. This is not a position that we take for granted. We work hard to earn it every day.

UNWAVERING COMMITMENT

NYSIF covers approximately 2 million workers employed by 200,000 employers across New York, in all geographies, all industries, and of all sizes. With growing geopolitical uncertainty and concerns around affordability of daily living, NYSIF has resolutely anchored the workers' compensation insurance marketplace in New York, guaranteeing insurance coverage at the lowest possible price while ensuring a fair marketplace.

Our core mission as a public interest insurer—focused solely on policyholders and injured workers, not shareholders—has allowed us to be a leader in insurance. In pursuit of our mission, NYSIF has designed and launched new programs and initiatives to improve both the health and financial outcomes of our policyholders and injured workers.

During the past year, this guiding principle at the core of our mission compelled us to ensure that the products we develop, the programs we implement and the services we provide put people first—our policyholders, their employees, the injured workers who rely on us and our team.

FOCUSED INNOVATION

Focused and responsible innovation was a key driver of our success. As part of a new Insurance Innovation program, we invited Insurtech organizations to share insights, solutions, technologies and strategies that support advances within insurance product development. To date, we have met with over 50

companies to discuss their new ideas. In the coming year, we will continue to evaluate how strategic partnerships with selected insurtech companies will enhance our capabilities and services.

During our third annual Big Think conference, we sharpened our strategic product development capabilities. Cross-functional teams collaborated on solutions that directly impact our operations and consumers. This work highlights our longstanding commitment to fostering a culture that embraces change and welcomes new ideas and ways to respond to the evolving needs of our organization and policyholders.

Our new podcast, *NYSIF FUNDamental*, helped us explore and highlight key issues that are foundational to support our mission of service and safeguarding workers and share those perspectives with the broader community. Our first five episodes focused on topics including our rich history tied to New York's labor market, climate change and innovation.

Meanwhile, our new Insure+ policy option offered qualifying small businesses in select industries premium discounts along with our great customer service. Additionally, a continued focus on getting benefit payments to injured workers as quickly as possible led to an 81% increase in the number of employees enrolled in direct deposit, with more than two million same-day payments issued through the program.

NEW CLIMATE INITIATIVES

The effects of climate change on worker safety remained an area of focus. In 2025, NYSIF launched a program to help small businesses better protect their workers from extreme heat. The program included a premium credit so businesses could prioritize safety and keep their premiums affordable. We also expanded our Climate Action Premium Credit Program to include a broader range of health care service providers and medical supply chain companies.

During Climate Week NYC 2025, NYSIF hosted a panel to discuss the health effects of climate change as well as mitigation, adaptation and resilience planning in health care and insurance. We also moved forward with our sustainable investments' strategies in

alignment with Governor Hochul's commitment to this area. These programs highlighted how we have worked to thoughtfully effect change on a big-picture issue that impacts our policyholders, improving worker safety and protecting the environment for all New Yorkers.

A BOLD VISION FOR THE FUTURE

NYSIF is a remarkable organization with a 2,000-strong, unionized workforce. Our people are our backbone and integral to our success. As a result of their dedication and efforts, we continued to bring new products and services to the marketplace, improved workplace safety, tapped into the best thinking on technology and leveraged that to deliver the greatest value to our policyholders and injured workers. We remained focused on determining what being innovative means and how to utilize the trove of NYSIF data to inform public policy and decision-making that impacts our customers and the broader community. It really is an exciting time for this agency, and I am humbled to be a part of it.

Gaurav Vasisht
Executive Director & CEO
NYSIF



NYSIF EXECUTIVE STAFF



GAURAV VASISHT
Executive Director & CEO



ALAN ANGELO
Director of Administration



AUGUSTO BORTOLONI
Director of Policyholder
Services Business Operations



JAMES BUCK
Director of Innovation



PETER CUSICK
Chief Operating Officer for
Insurance Operations



SITA FEY
Director of External Affairs



GREGORY FRANCIS
Chief Investment Officer



SAMIM GHAMAMI
Chief Economist



WILLIAM GRATRIX
Chief Financial Officer



CHARLOTTE GRIFFIN
Chief Information Officer



MELISSA JENSEN
Director of Policy



TIMOTHY KOESTER
Chief Actuary



CHAD LOSHBAUGH
Chief Operating Officer for
Business Services



KRISTIN MARKWICA
Director of Disability Benefits
& Paid Family Leave



ANDREW PARK
Director of Federal Affairs



KENNETH RADIGAN
Chief Risk Officer



JESSICA SILVER
Director, Division of
Confidential Investigations



LISA ULLMAN
Health Policy Advisor



MICHELLE VANCAMP
Director of Claims
Business Operations



DAVID F. WERTHEIM
Chief Counsel,
Acting General Attorney

2025 Performance Highlights

NEW YORK BUSINESSES

Through our focus on innovation, technology and new product development, NYSIF was successful in creating long-term value and delivering high-quality service to our customers.

Discounts And Dividends

NYSIF discount and dividend programs **returned more than \$700 million to NYSIF policyholders** in 2025, an ongoing acknowledgement and benefit of their strong safety records. We are proud that NYSIF safety groups continued their record of paying uninterrupted dividends since 1923 while providing policyholders with savings on their insurance premiums for maintaining safe workplaces. Both programs assisted NYSIF in maintaining a **95% policyholder retention rate** among its safety group members.



We truly appreciate how NYSIF has treated our company and its employees throughout the years. We will continue to strive to be a company with little to no safety issues to be able to maximize the discount on our policy. Thank you for the policy reduction throughout the years and we look forward to our continued relationship.



Workers' Comp Policyholder

Assisting Small Businesses

EXTREME HEAT PPE PREMIUM CREDIT PROGRAM

With the launch of the **NYSIF Extreme Heat PPE Premium Credit Program**, NYSIF offered qualifying small businesses help in protecting their workers who may be exposed to high temperatures either indoors or outdoors.

Through this program, NYSIF provides premium credits for the purchase of PPE and supplies designed to minimize the effects of heat exposure to policyholders in industries such as construction, manufacturing, warehousing and farming.

Policyholders with either 10 or fewer employees, or up to \$10,000 in premium, can receive a credit of up to \$1,000 to buy PPE such as cooling units, ventilated hard hats, cooling vests, tents and other protective gear.



CONSTRUCTION PREMIUM ADJUSTMENT PROGRAM

NYSIF developed an innovative new portal to assist policyholders in applying for a Construction Premium Adjustment Program (CPAP) credit. CPAP provides a premium credit to employers paying high wages in the construction industry. Policyholders with online accounts can use our portal to complete the application for an estimated CPAP credit.

INSURE+

NYSIF Insure+ is a unique pilot program designed to attract additional small businesses to NYSIF. Through the program, NYSIF offered eligible businesses in the Professional, Scientific and Technical Services industry an upfront discount of up to 20% on their estimated workers' compensation premium. These new policyholders could also be entitled to additional discounts at renewal.



Ongoing Initiatives

COMBATING FRAUD

The NYSIF Division of Confidential Investigations (DCI) is central to safeguarding the integrity of our insurance operations through proactive fraud detection, rigorous investigations and risk mitigation. By upholding the highest standards of ethical conduct, **our DCI team reinforced confidence in the fairness, transparency and sustainability of NYSIF's competitive rates to businesses statewide.**

In 2025, DCI strengthened its investigative capacity by adding investigators, analysts and administrative staff. Specialized teams—focused on claims, policyholder and provider fraud, forensic analysis, data analytics and case development—enabled DCI to address an increasingly complex and diverse fraud landscape. Our team closed more than 2,300 cases, generating an **estimated savings of more than \$32.1 million** in fraudulent claims' costs. Additional investigations resulted in millions of dollars in recommended re-billing for premiums understated in falsified documentation. DCI maintained a disciplined balance between aggressive fraud enforcement and the protection of policyholder and claimant interests. This approach ensured investigative outcomes that were thorough, equitable and aligned with NYSIF's mission. In addition to administrative resolutions, DCI worked on criminal investigations with district attorney's offices throughout the State, **recovering \$4.1 million on behalf of NYSIF.**

These results reflected DCI's continued commitment to accountability, protection of law-abiding policyholders and preservation of a level playing field across NYSIF's insurance programs. DCI also enhanced fraud detection efforts by hosting a fraud awareness event at SUNY (State University of New York) Buffalo for students and professionals. The session focused on raising awareness about workers' compensation fraud and its consequences.

NYSIF FUNDAMENTAL PODCAST

Our new podcast, *NYSIF FUNDamental*, aims to put the best thinking forward at the intersection of finance, health, labor and business in New York. The podcast series engaged with thought leaders and industry experts and combines the inspiring, personal stories of real people to provide unique perspectives on the issues that matter to NYSIF and our mission. Podcast episodes will cover worker safety, climate change, mental wellness, finance, technology and more. *NYSIF FUNDamental* provided an exciting opportunity for NYSIF to explore and highlight key issues that are foundational to support our mission of service and safeguarding the well-being of New Yorkers. We created the podcast to offer engaging perspectives on our longstanding commitment to our values. The podcast premiered with episodes on the history of NYSIF and sustainability in health care. New episodes of *NYSIF FUNDamental* will be released at regular intervals. *NYSIF FUNDamental* is available on our website, nysif.com, as well as most podcast platforms, including Apple Podcasts, Spotify, YouTube and Google Podcasts.



“As someone new to business, when you hear the word ‘audit,’ it seems like a red flag. However, I am so grateful for the time you spent with me going over the details, easing my mind and explaining things to me in a way that was easier to understand. Thank you so much!”

Workers' Comp Policyholder

STRENGTHENING POLICYHOLDER SERVICES

Governor Hochul is committed to helping small businesses in New York State thrive. So is NYSIF. In 2025, **we added almost 1,300 policies to our Welcome Back program**, which now contains more than 2,800 policies. It allows policyholders with outstanding premium balances to retain workers' compensation coverage through NYSIF. As a service to our policyholders, **NYSIF waives the 2.25% credit card transaction fees for eligible small businesses**. Additionally, more than 25,000 customers had their fees waived, **saving policyholders close to \$559,000**. A new phone process enabled NYSIF to collect **\$3.4 million in payments** in 2025, adding convenience and helping customers avoid additional fees.

We rebranded our Out-of-State Coverage program to become **NYSIF Multi-State Coverage (MSC)**. This program enables workers' compensation policyholders with operations in other states to insure those employees working outside of New York, and it has seen increased participation every year since its launch in 2022. Adding this coverage option **helped 572 policyholders with about \$121 million in corresponding in-state premium** to protect their workforce.

NYSIF processed more than 20,000 audits in 2025, enabling it to return more than \$121 million in premium to policyholders. NYSIF also waived more than 3,000 field audits for small business owners based on their strong safety records and favorable claims history.

INFORMATION TECHNOLOGY

Information Technology Services (ITS) upgraded and modernized capabilities across NYSIF by adding functionality, modernizing legacy applications, strengthening security and data protection, and helping staff to work more efficiently.

ITS upgraded systems in support of NYSIF's continued focus on keeping data secure. This included adding standardized security protocols for vendors and future applications, expanding security trainings, automating risk assessment and security patching, providing a more secure single sign-on for employees and enabling secure file sharing.

DATA SECURITY

ITS continued to strengthen and implement security practices including: continuous vulnerability discovery scanning; increased hardware scan frequency; and automated risk assessment and security patching workflows. The technology team also executed several large-scale infrastructure upgrades including server, storage, network, firewall and virtualization platforms. ITS replaced end-of-life hardware and upgraded workstations.

Throughout the year, ITS delivered numerous statutory, regulatory and customer service-driven enhancements, including DB/PFL forms modernization, Claims Center improvements, payroll integrations, policy endorsements and data exchange improvements. ITS also continued to investigate responsible use of artificial intelligence and develop policies governing those practices. Keeping NYSIF's data safe and using technology to provide the best possible customer experience remained a priority.



“ I am truly blown away by the investment in our safety, as we would expect to pay a great deal for such service. I trust that your investment will benefit us for years to come, making us safer from injury and reducing costly medical care. Thank you very much. ”

Workers' Comp Policyholder

Accident Prevention and Workplace Safety

Ultimately, NYSIF aims to make life better and safer for New Yorkers. Our Risk Control Department's focus on proactive measures to avoid workplace injuries is a critical way we protect our policyholders' workers. In 2025, the Risk Control team led New York City Site Safety Training classes as well as Occupational Safety and Health Administration (OSHA) 30-hour and 10-hour Construction and General Industry courses.

These courses educate workers on workplace hazards and their rights and responsibilities in the workplace. Topics included fall prevention and drug and alcohol awareness. In addition, NYSIF Risk Control consultants provided 486 safety presentations to policyholders. Offering these value-added services at no additional cost **saved NYSIF policyholders an estimated \$375,00-\$400,000** on training costs.



Customer Service

The NYSIF Contact Center processed more than 123,000 transactions in 2025 and successfully improved key performance indicators during the year. **The staff achieved a 98.7% call answer rate**, a lower call abandonment rate and reduced average hold times. First call resolution (FCR), a metric that measures the percentage of calls contact center staff resolve on the first interaction, thus eliminating the need for follow up, also showed gains. Generally, the global industry benchmark for FCR is 70%-75%. In 2025, **88% of inquiries were resolved by the Contact Center** as the first point of contact.

Our **NYSIF Claim mobile app had a total of 38,393 downloads** in 2025. Last year, we added functionality that enabled DB and PFL claimants to also use the application.

“ I just wanted to take a moment to personally thank you for your exceptional support yesterday. You were clear, thorough, patient, and compassionate — everything a small business owner hopes for when dealing with insurance. You walked me through the details step by step, gave me clear next actions, and most importantly you listened. Not once did I feel rushed or dismissed. That level of care is rare. You made a stressful situation feel manageable, and that shift in energy changed the course of my day. It gave me back the brain space I need to run my business and serve my clients. Without people like you, small businesses like mine can't function. ”

Workers' Comp Policyholder

ASSISTING INJURED WORKERS



Claims

In 2025, NYSIF managed approximately 94,100 claims. Claims staff issued timely initial payments on 96.1% of our new claims, demonstrating NYSIF's commitment to ensuring injured workers quickly received wage replacement benefits when out of work. In addition, claims staff settled 6.3% of our open claims via settlement payments. This team worked to improve our data and analytics to provide our staff with key insights and continued to innovate and use technology to modernize systems and improve efficiency.

Through our ongoing efforts to increase direct deposit enrollments, NYSIF has delivered more than 2 million faster payments **totaling almost \$2 billion to injured workers and beneficiaries** since the program began in 2022. Overall, NYSIF saw an 81% increase in the number of employees enrolled in direct deposit.



Disability Benefits/Paid Family Leave

Our DB/PFL team **processed more than 7,400 PFL claims** totaling close to \$48 million and almost 6,300 DB claims totaling more than \$8.9 million. NYSIF welcomed **more than 8,300 new DB/PFL policyholders**.

Meanwhile, more than 27,000 DB policyholders benefitted from NYSIF DB dividend programs, which **returned over \$2.9 million in premium** to DB policyholders. In addition, 9,426 DB/PFL policyholders **enjoyed almost \$106,000 in savings** by participating in NYSIF's credit card fee waiver program.

We will implement a 28.6% decrease in our DB rate, effective January 1, 2026. This change will reduce our current gender-neutral DB rate of \$0.14 per \$100 of payroll to \$0.10 per \$100 of payroll. This is the first reduction, or change of any kind, in NYSIF DB rates since 2010.



As a small business, we don't have an HR department and it is difficult to navigate all the regulations, rules, insurances, taxes, etc., necessary to keep things running. You were so helpful in explaining what was needed. You responded nearly immediately, explained things so clearly and followed up, always keeping me informed of how the process was going, and you did it all so pleasantly and patiently."



Disability Benefits Policyholder

OUR EMPLOYEES



Recruitment and Staff Development

Positioning NYSIF for long-term success will always include investing in our people. In 2025, **we added 258 new hires and promoted 226 employees.** Our agency-wide mentoring program supported 34 members of our team at varied stages of their NYSIF careers. The NYSIF Office of Diversity and Inclusion introduced **two new Employee Resource Groups**, the Young Professionals Network, which is dedicated to early-career employees, and VISION (Veterans Inspiring Service, Innovation, Opportunity, and Networking) for veterans and veteran supporters. To further enhance staff development opportunities, we **increased offerings in our online training course catalog** and strengthened our new hire onboarding resources.

Student Intern Program

Now in its third year, the NYSIF Internship Program continued to serve as a conduit for talented students to gain valuable experience and begin rewarding careers at our agency. Through the Office of General Counsel's robust legal internship program, three attorneys joined NYSIF in full-time roles within the department, demonstrating the program's effectiveness in identifying, mentoring and onboarding top legal talent.

In 2025, NYSIF entered into **a new partnership with the State University of New York** to provide 100 SUNY students with paid internships in our NYSIF offices throughout New York State. Through these internships, SUNY students will have the opportunity to build vital real-world skills while also exploring a career path that interests them.

Since its inception in 2023, NYSIF's internship program has hosted 61 SUNY interns, and 13 SUNY graduates have joined NYSIF in permanent, full-time positions. This partnership will double the number of students hosted at NYSIF and provide students with opportunities to learn in a unique business setting. Students who participate in the program will work across NYSIF departments including Administration, Claims, Division of Confidential Investigations, Finance, Investments, Office of General Counsel, Premium Audit, Marketing and Communications, and Underwriting. The program also helps to achieve SUNY's goal for every student to participate in an internship or experiential learning opportunity by the time they graduate. Through this program, NYSIF provides an opportunity for students to be immersed in strategic business operations and solve real-world business challenges as well as develop innovative products and business solutions.

Workplace Mental Health Awareness

NYSIF hosted its fourth annual Mental Health Awareness Week, which continued to see strong participation and earn highly positive reviews from our employees. The event included guest speakers, wellness gifts, healthy snacks and useful tips on mental health topics including support for caregivers, dealing with the psychological effects of a major disaster or traumatic event and the importance of self-care.



INVESTMENTS



Sustainable Investments

In support of Governor Hochul’s commitment to building a more sustainable future for New Yorkers, NYSIF applies three Sustainable Investment Lenses: (1) achieving net-zero carbon emissions across its investment portfolio by 2040; (2) minimizing Environmental, Social and Governance (ESG) risks; and (3) prioritizing positive impact on the real economy. To advance these objectives, NYSIF focuses on three core levers across public and private markets: engagement, investment and divestment—both internally and externally.

Over the past year, NYSIF strengthened its data analysis and enhanced investment decision-making across these investment lenses. We made progress in reducing emissions within our public debt portfolios, increased allocations to climate solutions strategies and reduced exposure to ESG risks and controversies in new investments.

By proactively identifying material risks and opportunities across these dimensions, NYSIF’s framework enhanced our ability to navigate a rapidly evolving investment landscape while preserving long-term value for policyholders.

NYSIF FLEET GOES GREEN

NYSIF’s Fleet and Sustainability Team received a “Pedal to the Medal” award from the GreenNY Council in recognition of their efforts to convert nearly 65% of our light-duty, non-emergency fleet to zero emission vehicles (ZEVs). This was the highest conversion rate of any NYS Executive agency.

In total, NYSIF transitioned 28 out of 39 vehicles to plug-in hybrid vehicles. All of these vehicles have been equipped with telematics, or technology that records and transmits vehicle data, to assist NYSIF in optimizing vehicle performance. This initiative also propels NYSIF toward achieving the Governor’s sustainability goals that mandate New York State agencies and authorities to adopt a comprehensive sustainability and decarbonization program to convert all state vehicles to ZEVs by 2035.



TRUST AND COMMITMENT

NYSIF Celebrates Long-Standing Policyholder Relationships

We are proud that our legacy of service continues to result in decades-long relationships with so many of our policyholders. Their trust in our ability to meet their insurance needs informs our decisions and guides our actions.



Warshaw Hardware
New York, NY



P.E. Guerin, Inc.
New York, NY



Guardian Service Industries, Inc.
New York, NY



St. Barnabas Lutheran Church
New York, NY



College Club of Buffalo
Buffalo, NY



Hankin Bros Cap Co.
Buffalo, NY



HNL Group, Inc.
New York, NY



Pulaski Club of Olean
Olean, NY



Turf Line Fertilizer, Inc.
Henrietta, NY

“ I want to commend you for such excellent customer service. I really appreciate your cheerful voice and prompt attention to offer a solution to my problem. Again, thank you for your professionalism and awesome customer care. ”

Paid Family Leave Policyholder

“ I can't thank you enough for your help, professionalism and compassion. I've spoken to several people at [different agencies] and only you and NYSIF have been so supportive. You took the time to keep me in the loop. I wish more medical businesses had professionals like you. ”

Workers' Comp Claimant

“ I wanted to send you a heartfelt thank you for your due diligence, compassion and empathy for my situation. I was able to get paid and pay all outstanding bills. You helped me out more than you'll ever know, and I am so appreciative. ”

Disability Benefits Claimant

“ I want to thank you for taking care of my claim. Your kindness and professionalism with my account helped me a lot during a very difficult time caring for my husband after his surgery. ”

Paid Family Leave Claimant

“ Professionals like you make it possible for small business owners to stay competitive in the market. I sincerely appreciate your help and consideration. ”

Workers' Comp Policyholder

“ I appreciate you! I had no knowledge or training when it came to anything workers' comp related, and you have made it a smooth process without having to stress. ”

Workers' Comp Policyholder

“ You should know — you got rave reviews! Truly, the staff couldn't stop talking about how informative, engaging and upbeat your presentation was. You really set a positive tone for the entire day. Thank you again for bringing your energy and expertise to [the presentation]. Our team appreciated it, and so do I. ”

Workers' Comp Policyholder

DREAM BIGGER

The path forward for our organization is built on a rich history deeply rooted in New York's labor movement and the ingenuity of our staff. Every day presents a new opportunity to challenge ourselves to develop new products, services and solutions to benefit our policyholders and injured workers.

During the past year, our achievements demonstrated that it is possible to create targeted products that meet the needs of New York businesses, large and small, and their employees. Our dedicated and talented staff proved that it is possible to pay injured workers quickly as well as leverage our data to address issues such as climate change, worker safety and heat protection. And we accomplished this by utilizing technology, including artificial intelligence, without jeopardizing jobs. NYSIF continued to foster and harness our staff's creativity and problem-solving skills to innovate and integrate new products while identifying ways to advance our strategic vision and maintain our role as New York's leading workers' compensation insurance carrier. Constant forward motion while raising standards of performance can be challenging. At NYSIF, we welcomed and embraced that challenge.

— **Gaurav Vasisht**
NYSIF Executive Director & CEO



**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

STATUTORY BASIS FINANCIAL STATEMENTS

**AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2025 and 2024**

**STATUTORY BASIS SUPPLEMENTARY SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2025
AND INDEPENDENT AUDITORS' REPORT**

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

Contents

	<u>Page</u>
Independent Auditors' Report	1 - 3
Statutory Basis Financial Statements	
Statutory Basis Statements of Admitted Assets, Liabilities and Surplus	4
Statutory Basis Statements of Income	5
Statutory Basis Statements of Surplus	6
Statutory Basis Statements of Cash Flows	7
Notes to Statutory Basis Financial Statements	8 - 44
Independent Auditors' Report on Supplementary Information	45
Statutory Basis Supplementary Schedules Supplied in Compliance with the National Association of Insurance Commissioners' Instructions to Annual Audited Financial Reports:	
Statutory Basis Supplementary Schedule of Investment Risk Interrogatories	46 - 51
Statutory Basis Supplementary Summary Investments Schedule	52
Statutory Basis Supplementary Schedule of Reinsurance Interrogatories	53 - 55

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of
The State Insurance Fund Workers' Compensation Fund
New York, New York

Report on the Statutory Basis Financial Statements

Opinion

We have audited the statutory basis financial statements of the State Insurance Fund Workers' Compensation Fund ("the Fund"), which comprise the statutory statements of admitted assets, liabilities and surplus as of December 31, 2025 and 2024, and the related statutory statements of income, surplus, and cash flows for the years then ended, and the related notes to the statutory basis financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying statutory basis financial statements present fairly, in all material respects, the admitted assets, liabilities and surplus of State Insurance Fund Workers' Compensation Fund as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended on the basis of accounting described in Note 2A.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the statutory basis financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of State Insurance Fund Workers' Compensation Fund as of December 31, 2025 and 2024, or the results of its operations or its cash flows for the years then ended.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2A of the statutory basis financial statements, the statutory basis financial statements are prepared by State Insurance Fund Workers' Compensation Fund on the basis of accounting practices prescribed or permitted by the Insurance Department of the New York State Department of Financial Services, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New York State Department of Financial Services. The effects on the statutory basis financial statements of the variances between the regulatory basis of accounting described in Note 2A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

"EisnerAmper" is the brand name under which EisnerAmper LLP and Eisner Advisory Group LLC and its subsidiary entities provide professional services. EisnerAmper LLP and Eisner Advisory Group LLC are independently owned firms that practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. EisnerAmper LLP is a licensed CPA firm that provides attest services, and Eisner Advisory Group LLC and its subsidiary entities provide tax and business consulting services. Eisner Advisory Group LLC and its subsidiary entities are not licensed CPA firms.

Emphasis of Matter

As described in Note 2A of the statutory basis financial statements, the State Insurance Fund Workers' Compensation Fund has significant prescribed accounting practices that are mandated by New York State Workers' Compensation Law in accordance with the financial reporting provisions of the New York State Department of Financial Services.

Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the statutory basis financial statements in accordance with the accounting practices prescribed or permitted by the Insurance Department of the New York State Department of Financial Services. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of statutory basis financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the statutory basis financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the statutory basis financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
May 20, 2026

EISNERAMPER
LLP



**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Statutory Basis Statements of Admitted Assets, Liabilities and Surplus
For the Years Ended December 31, 2025 and 2024
(in thousands)**

	<u>2025</u>	<u>2024</u>
Admitted assets		
Cash and invested assets:		
Bonds—at NAIC carrying value	\$ 19,466,090	\$ 18,975,313
Preferred stocks	25,029	-
Common stocks	2,421,510	2,057,268
Real estate	79,930	84,474
Cash, cash equivalents and short-term investments	945,387	968,868
Other invested assets	207,288	144,887
Receivables for securities and security lending reinvested collateral assets	249,433	217,030
	<u>23,394,667</u>	<u>22,447,840</u>
Total cash and invested assets	23,394,667	22,447,840
Premium receivables	162,964	147,790
Accrued investment income	161,054	144,459
Due from affiliates	2,447	2,509
Other admitted assets	10,789	7,390
Contingent receivable from New York State	1,295,000	1,295,000
	<u>1,295,000</u>	<u>1,295,000</u>
Total admitted assets	<u>\$ 25,026,921</u>	<u>\$ 24,044,988</u>
Liabilities and surplus		
Liabilities:		
Reserve for losses	\$ 8,832,264	\$ 8,799,206
Reserve for loss adjustment expenses	1,018,613	982,861
Unearned premiums	225,930	269,486
Contingent policyholder dividends	1,942,254	1,913,210
Payables for securities and securities lending	273,908	238,919
Accrued expenses and other liabilities	197,822	162,384
Due to New York State	268,536	271,757
	<u>12,759,327</u>	<u>12,637,823</u>
Total liabilities	12,759,327	12,637,823
Surplus:		
Appropriated surplus funds:		
Security fluctuation	1,440,000	1,520,000
Catastrophe	399,561	399,561
Terrorism catastrophe	1,002,339	965,358
Pension and Postemployment benefits	768,209	711,721
Unassigned surplus	8,657,485	7,810,525
	<u>12,267,594</u>	<u>11,407,165</u>
Total surplus	12,267,594	11,407,165
Total liabilities and surplus	<u>\$ 25,026,921</u>	<u>\$ 24,044,988</u>

See accompanying notes to statutory basis financial statements.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Statutory Basis Statements of Income
For the Years Ended December 31, 2025 and 2024
(in thousands)**

	<u>2025</u>	<u>2024</u>
Underwriting income:		
Direct written premium	\$ 1,599,971	\$ 1,686,141
Assumed written premium	<u>4,799</u>	<u>4,131</u>
Net written premium	<u>\$ 1,604,770</u>	<u>\$ 1,690,272</u>
Net earned premium	<u>\$ 1,676,124</u>	<u>\$ 1,704,151</u>
Underwriting expenses:		
Losses incurred	1,104,997	1,081,720
Loss adjustment expenses incurred	256,683	263,545
Other underwriting expenses incurred	<u>227,376</u>	<u>187,517</u>
Total underwriting expenses	<u>1,589,056</u>	<u>1,532,782</u>
Net underwriting income	<u>87,068</u>	<u>171,369</u>
Investment income earned:		
Investment income	814,147	761,501
Investment expenses	(49,775)	(50,488)
Net realized capital gains	<u>71,894</u>	<u>205,795</u>
Net investment income earned	<u>836,266</u>	<u>916,808</u>
Other income (expenses):		
Bad debt expense	(160,704)	(115,839)
Finance and service charges	23,785	25,591
Miscellaneous income	7,937	3,947
Dividend expense to policyholders	<u>(216,850)</u>	<u>(208,340)</u>
Total other expenses	<u>(345,832)</u>	<u>(294,641)</u>
Net income	<u>\$ 577,502</u>	<u>\$ 793,536</u>

See accompanying notes to statutory basis financial statements.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Statutory Basis Statements of Surplus
For the Years Ended December 31, 2025 and 2024
(in thousands)**

	<u>Appropriated Surplus Funds</u>				<u>Unassigned Surplus</u>	<u>Total Surplus</u>
	<u>Security Fluctuation Surplus</u>	<u>Catastrophe Surplus</u>	<u>Terrorism Catastrophe Surplus</u>	<u>Pension & Postemployment Benefits Surplus</u>		
Balance—January 1, 2024	2,040,000	399,561	930,275	714,402	6,367,313	10,451,551
Net income	-	-	-	-	793,536	793,536
Change in net unrealized capital gain (losses) - investments	-	-	-	-	173,138	173,138
Change in nonadmitted assets	-	-	-	-	(11,060)	(11,060)
Appropriation of unassigned to (from) appropriated surplus	<u>(520,000)</u>	<u>-</u>	<u>35,083</u>	<u>(2,681)</u>	<u>487,598</u>	<u>-</u>
Balance—December 31, 2024	1,520,000	399,561	965,358	711,721	7,810,525	11,407,165
Net income	-	-	-	-	577,502	577,502
Change in net unrealized capital gain (losses) - investments	-	-	-	-	275,121	275,121
Change in nonadmitted assets	-	-	-	-	7,806	7,806
Appropriation of unassigned to (from) appropriated surplus	<u>(80,000)</u>	<u>-</u>	<u>36,981</u>	<u>56,488</u>	<u>(13,469)</u>	<u>-</u>
Balance—December 31, 2025	<u>\$ 1,440,000</u>	<u>\$ 399,561</u>	<u>\$ 1,002,339</u>	<u>\$ 768,209</u>	<u>\$8,657,485</u>	<u>\$ 12,267,594</u>

See accompanying notes to statutory basis financial statements.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Statutory Basis Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024
(in thousands)**

	<u>2025</u>	<u>2024</u>
Cash flows from operations:		
Premiums collected, net of reinsurance	\$ 1,642,077	\$ 1,691,049
Net investment income	766,569	723,133
Miscellaneous expense, including bad debt charge offs	(129,631)	(86,730)
Losses and loss adjustment expenses paid, net	(1,072,086)	(1,119,444)
Expenses paid	(412,368)	(420,406)
Dividends paid to policyholders	(187,806)	(159,919)
	<u>606,755</u>	<u>627,683</u>
Net cash provided by operations		
Cash flows from investments:		
Proceeds from investments sold, matured or repaid	3,988,314	3,569,252
Cost of investments acquired	(4,632,943)	(4,124,452)
	<u>(644,629)</u>	<u>(555,200)</u>
Net cash used in investments		
Advance from New York State	-	300,000
Net cash flows from other sources	14,393	133,695
	<u>14,393</u>	<u>433,695</u>
Net cash provided by other sources		
Net cash (used in) provided by cash, cash equivalents and short-term investments	(23,481)	506,178
Cash, cash equivalents and short-term investments: Beginning of year	968,868	462,690
	<u>968,868</u>	<u>462,690</u>
Cash, cash equivalents and short-term investments: End of year	<u>\$ 945,387</u>	<u>\$ 968,868</u>

See accompanying notes to statutory basis financial statements.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 1 - ORGANIZATION AND PURPOSE

The New York State Insurance Fund ("NYSIF"), which includes the operations of the Workers' Compensation Fund ("WCF") and the Disability Benefits Fund ("DBF"), is a nonprofit agency of the State of New York (the "State"). NYSIF also administers the Aggregate Trust Fund ("ATF"). By statute, NYSIF maintains separate records for each fund.

In *Methodist Hospital of Brooklyn v. State Insurance Fund (1985)*, The New York State Court of Appeals held that NYSIF is "a State agency for all of whose liabilities the State is responsible".

The home office properties are occupied jointly by all three funds. Because of this relationship, WCF incurs joint operating expenses subject to allocation based on the level of services provided. Management believes the method of allocating such expenses is fair and reasonable. WCF allocates the cost of services rendered to DBF based on a percentage of DBF employees, salaries and square footage occupied. There is no direct allocation charged to ATF. A flat fee of either 3% or 6% of losses paid is charged by WCF, dependent upon the date of the award (refer to Note 8).

Workers' compensation insurance covers job-related disabilities and includes the cost of medical treatment.

WCF also administers the Workers' Compensation Program for the State, which self-insures.

WCF has exposure to catastrophes, which are an inherent risk of the property/casualty insurance business, which have contributed, and may contribute, to material year-to-year fluctuations in WCF's results of operations and financial position.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation:

The accompanying statutory basis financial statements of WCF are presented in conformity with accounting practices prescribed by the New York State Department of Financial Services ("DFS"). DFS recognizes only New York Statutory Accounting Practices ("NY SAP") for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under New York State Insurance Law. The current version of the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures Manual ("NAIC SAP") has been adopted as a component of NY SAP.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation: (continued)

Differences between NAIC SAP and NY SAP:

The State has prescribed certain accounting practices that differ from those found in NAIC SAP. Such differences are identified herein as NY SAP where applicable.

In addition, the Superintendent of DFS has the right to permit other specific practices that may deviate from prescribed practices. WCF, as mandated by New York State Workers' Compensation Law, discounts all loss and loss adjustment expense reserves at 5%, and records the contingent receivable from the State as an admitted asset.

The DFS, under State statutes and regulations, does not require WCF to report Risk Based Capital ("RBC"). NY Insurance Law 1108(c) specifically exempts WCF from licensing and most other requirements under the Insurance Law.

WCF discounts all reserves, including pension and non-pension reserves, for loss and loss adjustment expenses at 5%. If no discounting was used, statutory surplus would decrease by \$5,761,352 and \$5,903,846 as of December 31, 2025 and 2024. If the contingent receivable from the State was not prescribed as an admitted asset, total statutory surplus would decrease by \$1,295,000 as of both December 31, 2025 and 2024.

The cumulative effect of prescribed practices by NY SAP or as mandated by New York State Workers' Compensation Law on WCF's total surplus and net income for the years ended December 31, 2025 and 2024 is as follows:

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation: (continued)

Differences between NAIC SAP and NY SAP: (continued)

	<u>2025</u>	<u>2024</u>
Surplus		
Total surplus as shown on statutory statements - NY SAP	<u>\$ 12,267,594</u>	<u>\$ 11,407,165</u>
Discounting of loss and loss adjustment expense reserves at 5%	(5,761,352)	(5,903,846)
Add back tabular discount at 3.5% on pension reserves	1,609,049	1,731,296
Contingent receivable from State of New York	<u>(1,295,000)</u>	<u>(1,295,000)</u>
Total cumulative effect	<u>(5,447,303)</u>	<u>(5,467,550)</u>
Total adjusted surplus - NAIC SAP	<u><u>\$ 6,820,291</u></u>	<u><u>\$ 5,939,615</u></u>
Net Income		
Total net income as shown on statutory statements - NY SAP	<u>\$ 577,502</u>	<u>\$ 793,536</u>
Discounting of loss and loss adjustment expense reserves at 5%	142,494	210,167
Tabular discount at 3.5% on pension reserves	<u>(122,247)</u>	<u>(114,412)</u>
Total cumulative effect	<u>20,247</u>	<u>95,755</u>
Total adjusted net income - NAIC SAP	<u><u>\$ 597,749</u></u>	<u><u>\$ 889,291</u></u>

Differences between NY SAP and U.S. GAAP:

The accounting practices and procedures of NY SAP and NAIC SAP (collectively referred to as "SAP") comprise a comprehensive basis of accounting other than generally accepted accounting principles in the United States ("U.S. GAAP"). The more significant differences between SAP and U.S. GAAP, which are applicable to WCF, are set forth below:

- a. Bonds are generally carried at amortized cost. Under U.S. GAAP, such securities are classified into "held to maturity" and reported at amortized cost, or "trading" and reported at fair value with unrealized gains and losses included in earnings, or "available for sale" and reported at fair value with unrealized gains and losses reported as a separate component of surplus.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation: (continued)

Differences between NY SAP and U.S. GAAP: (continued)

All single class and multi-class mortgage-backed/asset-backed securities are adjusted for the effects of changes in prepayment assumptions on the related accretion of discount or amortization of premium of such securities using either the retrospective or prospective methods. If it is determined that a decline in fair value is other-than-temporary, the cost basis of the security is written down to the discounted estimated future cash flows.

Under U.S. GAAP, all securities, purchased or retained, that represent beneficial interests in securitized assets (e.g., collateralized mortgage obligations or asset-backed securities), other than high-credit quality securities, are adjusted using the prospective method when there is a change in estimated future cash flows. If it is determined that a decline in fair value is other-than-temporary, the cost basis of the security is written down to the discounted fair value.

- b. Common stocks are reported at fair value, as determined by the NAIC's Securities Valuation Office ("SVO") and other independent pricing sources and the related net unrealized capital gains and losses are reported in unassigned surplus. Under U.S. GAAP, common stocks are reported at fair value with unrealized gains and losses included in earnings.
- c. Cash and short-term investments in the statutory basis statements of cash flows represent cash balances and investments with initial maturities of one year or less. Under U.S. GAAP, the corresponding caption of cash and cash equivalents includes cash balances and investments with initial maturities of three months or less.
- d. Policy acquisition costs (principally underwriting and marketing related costs) are expensed as incurred, whereas under U.S. GAAP, these costs are recorded as a prepaid expense and amortized to income on the same basis as premium income is recognized.
- e. WCF records written premiums when billed to policyholders and earns the related income over the life of the policy. Under U.S. GAAP, premiums would be recognized as written premium on the effective date of the policy and earned over the life of the policy.
- f. Certain assets designated as non-admitted assets (principally premiums in the course of collection outstanding over 90 days, prepaid expenses, 10% of earned but unbilled premium and office furniture and equipment) are charged directly against surplus. Under U.S. GAAP, such non-admitted assets would be included in total assets, net of valuation allowances.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation: (continued)

Differences between NY SAP and U.S. GAAP: (continued)

- g. Under U.S. GAAP, all EDP and related equipment is recorded as assets, less accumulated depreciation over their useful lives. WCF's policy is to capitalize EDP and related equipment with a cost of \$2 or greater and to depreciate it over its estimated useful life of up to three years, which is within the guidance of NY SAP.
- h. WCF's contingent receivable (Note 6) of \$1,295,000 from the State does not have a due date. This contingent receivable is carried at the amount transferred to the State without consideration for collectability or imputed interest. Under U.S. GAAP, such an amount would be excluded from the balance sheet.
- i. As mandated by New York State Workers' Compensation Law, reserves for losses and loss adjustment expenses are discounted to their present value using an annual effective interest rate of 5% during 2025 and 2024. Under U.S. GAAP, the discount rate would be based on market interest rates and earnings expectations.
- j. An appropriation of surplus for security fluctuations has been established for the difference between the amortized cost of securities and their fair value. Such an appropriation is established for future contingencies, rather than allocated to specific investments. In addition, a reasonable portion of unassigned surplus has been established as an appropriation for catastrophes, terrorism and for postemployment benefits.
- k. For real estate owned and occupied by NYSIF, rental income and corresponding rental expense is recorded. Under U.S. GAAP, no such income or expense is recorded.
- l. The balance sheet under SAP is reported net of reinsurance, while under U.S. GAAP, the balance sheet reports reinsurance recoverables, including amounts related to ceded losses incurred but not reported and prepaid reinsurance premiums, as an asset.
- m. Comprehensive income and its components are not presented in the statutory basis financial statements.
- n. The net amount of all cash accounts is reported jointly. Cash accounts with positive balances are not reported separately from cash accounts with negative balances. If in the aggregate, the reporting entity has a net negative cash balance, it is reported as a negative asset. Under U.S. GAAP, positive cash balances are reported as assets while net negative cash balances are reported as liabilities.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation: (continued)

Differences between NY SAP and U.S. GAAP: (continued)

- o. The statutory basis financial statements do not reflect a measure of credit losses for financial assets, known as the current expected credit losses model ("CECL"). Under U.S. GAAP, expected credit losses are used to estimate current losses resulting in a recorded allowance.
- p. The aggregate effect of the foregoing differences between NY SAP and U.S. GAAP on the accompanying statutory basis financial statements has not been determined, however, it is presumed to be material.

B. Investments:

Effective January 1, 2025, WCF adopted the revised statutory guidance for bonds under SSAP No. 26, *Bonds*, which incorporates a principles-based bond definition (see Note 3). Investments are generally valued in accordance with the valuation procedures of the NAIC.

Bonds are principally carried at amortized cost. Discount or premium on bonds is amortized using the scientific method, which is a variation of the effective interest method. Short-term investments consist of bonds purchased within a year of the maturity date which are stated at amortized cost. The market value of bonds is primarily based on market prices obtained from the SVO and JPMorgan Chase. Private placement bonds are priced using Pricing Direct, Inc., a JPMorgan Chase affiliate, and other third-party pricing sources.

For mortgage-backed fixed maturity securities, WCF recognizes income using the constant effective yield method, based on anticipated prepayments over the economic life of the security. Mortgage-backed securities are accounted for by the retrospective method and prepayment assumptions are based on market conditions. When actual payments differ significantly from anticipated prepayments, the effective yield is recalculated to reflect actual payments to date and anticipated future payments, and any resulting adjustment is included in net investment income.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Investments: (continued)

Common stocks are carried at fair value, which is obtained from JPMorgan Chase and other pricing sources. The unrealized gain or loss for common stocks is the change in fair value from the prior year-end and is reflected as a separate component of unassigned surplus. Redeemable preferred stocks are valued at amortized cost or the lower of amortized cost or fair value, depending on the NAIC designation. Perpetual preferred stocks are reported at fair value, not to exceed any currently effective call price. Realized gains and losses on common and preferred stocks are calculated based on the difference between cost and the consideration received at the time of sale or fair value at time of impairment and are included in the statutory basis statements of income.

Receivable and payable for securities represent sales and purchases of securities that are unsettled at year-end.

Realized gains and losses on the sale of investments are calculated based on the difference between the carrying value and the consideration received at the time of sale or fair value at time of impairment, and are included in the statutory basis statements of income.

Investment income earned consists primarily of interest and dividends. Interest is recognized on an accrual basis and dividends are recorded as earned at the ex-dividend date. Interest income on mortgage-backed and asset-backed securities is determined on the effective yield method based on estimated principal repayments. Accrual of income is suspended for bonds and mortgage loans that are in default or when the receipt of interest payments is in doubt. Realized capital gains and losses are determined using the first-in, first-out method.

An investment in a debt or equity security is impaired if its fair value falls below book value and the decline is considered other-than-temporary. Factors considered in determining whether a loss is other-than-temporary include the length of time and extent to which fair value has been below cost, the financial condition and near-term prospects of the issuer, and WCF's ability and intent to hold the investment for a period of time sufficient to allow for an anticipated recovery. A debt security is impaired if it is probable that WCF will not be able to collect all the amounts due under the security contractual terms. Equity investments are impaired when it becomes apparent that WCF will not recover its cost over the expected holding period. Other-than-temporary declines in fair value of investments are included in realized losses. The amount recorded in the statutory basis statements of income in 2025 and 2024 for realized impaired losses was \$62 and \$1.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Real Estate:

WCF records buildings at cost less accumulated depreciation calculated over an estimated useful life of 25 years, using the straight-line method. Property owned by NYSIF is used primarily for its own operations. In accordance with statutory accounting practices, WCF records both rental income and rental expense for office space occupied in buildings owned by NYSIF. The amount of related rental income and expense recorded in the statutory basis statements of income in 2025 and 2024 was \$17,185 and \$16,963. See Note 9 for discussion on the escrow deposit related to the construction of a new building in Albany County.

Maintenance and repairs are charged to expense as incurred.

D. Premium Revenue and Related Accounts:

WCF records written premiums when billed to policyholders and earns the related premium income over the life of the policy.

WCF records premium receivables as an admitted asset if the following three conditions are met: (1) a bill for the premium amount is no more than 90 days past due, (2) the bill date is within six months after the expiration of the policy year, and (3) no other bill for the same policy is considered non-admitted.

At December 31, 2025 and 2024, the outstanding statutory premium receivable balance (90 days and under), is stated net of \$65,630 and \$74,332 of non-admitted amounts. WCF routinely assesses the collectability of receivables and establishes an appropriate allowance at each year-end. Based on WCF's analysis, \$160,704 and \$115,839 are recorded as bad debt expense in the statutory basis statements of income for the years ended December 31, 2025 and 2024.

For WCF, unearned premiums represent the pro-rata portion of premiums and endorsements billed that are applicable to the unexpired terms of policies in force at year-end.

The estimate for earned but unbilled premium ("EBUB") is recognized through the statutory basis statements of income as an adjustment to premium earned. EBUB premium represents in-force and auditable policies on which premium has been earned but not yet been billed to the insured. Ten percent of EBUB, in excess of collateral specifically held as identifiable on a policy basis, is non-admitted.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Expenses of Workers' Compensation Board ("WCB"):

WCF carried a liability of \$2,375 and \$4,811 related to assessments due to the Workers' Compensation Board as of December 31, 2025 and 2024.

F. Reserves for Losses and Loss Adjustment Expenses:

Reserves for losses and loss adjustment expenses ("LAE") for WCF are based on individual case estimates and formula reserves. Additional reserves are provided for losses incurred but not reported ("IBNR") based on past experience, modified for current trends.

Reserves for losses and loss adjustment expenses of WCF are discounted to present value using an annual rate of 5%. Reserves for losses and loss adjustment expenses of WCF have been reduced by \$5,761,352 and \$5,903,846 as of December 31, 2025 and 2024, as a result of the 5% discounting. This accounting practice is mandated by Section 86 of the New York State Workers' Compensation Law.

WCF recorded a premium deficiency reserve of \$30,385 and \$0 as of December 31, 2025 and 2024. WCF does anticipate investment income as a factor in the premium deficiency reserve calculation.

Loss and loss adjustment expense reserves are significant in relation to surplus and there are a number of factors that contribute to uncertainties in the timing and amount of future payments including: the long-tailed nature of workers' compensation claims, the rate of inflation on medical costs, the impact of changes in New York State Workers' Compensation law made in 2007 and the discounting of reserves.

WCF's reserves for losses and loss adjustment expenses are estimated by using generally accepted actuarial procedures and include consideration for the impact of the factors outlined above. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined. An independent actuarial consulting firm reviews the estimated liability. WCF's management believes that the assumptions used in determining this liability are reasonable and that the amount recorded represents its best estimate of the ultimate cost of investigating, defending and settling claims.

WCF's actual future experience may not conform to the assumptions inherent in the determination of the liability. Accordingly, the ultimate settlement value may vary materially from the amounts included in the statutory basis financial statements.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Reserves for Losses and Loss Adjustment Expenses: (continued)

Amounts relating to New York State losses and defense and cost containment expenses have been excluded from the financial statements. New York State reimburses NYSIF for losses, defense and cost containment and a portion of adjusting and other expenses paid. There are no underwriting expenses incurred by NYSIF related to New York State claims (see Note 8).

G. Postemployment Fringe Benefits — Pension:

All employees of WCF are eligible to be covered under a retirement plan administered by the New York State Employees Retirement System. For employees hired prior to July 27, 1976, the plan is noncontributory. For employees hired on or after July 27, 1976, but before 2015, the plan is partially contributory in the first ten years of employment and noncontributory thereafter. For employees hired on and after January 1, 2015, the plan is partially contributory for the entire term of employment.

WCF has determined it is not directly liable for this obligation and as such, in accordance with SSAP No. 102, *Pensions*, WCF records its obligation based on amounts billed by the State. WCF records the difference between amounts billed by the State and amounts paid to the State as a liability or prepaid asset. WCF has a non-admitted prepaid asset for pension benefits in the amount of \$7,894 and \$5,937 as of December 31, 2025 and 2024.

Based on actual costs billed by various State agencies, WCF incurred \$75,600 and \$70,923 of fringe benefits and indirect costs in 2025 and 2024, recorded in other underwriting expenses in the statutory basis statements of income.

WCF estimates a contingent liability for the ultimate net pension obligation as of December 31 of each calendar year based on the State's latest available Actuarial Valuation Report, which is as of March 31 of the same calendar year and is recorded as an appropriation of surplus. During the years ended December 31, 2025 and 2024, WCF appropriated surplus to provide for the net pension obligation costs as permitted by SSAP No. 72, *Surplus and Quasi-Reorganizations*. Future obligations may vary significantly due to potential future changes in various key assumptions, such as WCF's ultimate allocated share of the obligation, investment earnings and actuarial projections. WCF updates the estimate each year-end.

At December 31, 2025 and 2024, WCF's pro-rata portion of its New York State Employees' ultimate net pension obligation was \$73,731 and \$61,572. The pension obligation was measured by the State as of March 31, 2025 and 2024, with WCF's portion of the obligation based on a ratio of its employees to State employees. As of March 31, 2025 and 2024, WCF's approximate proportionate share was 0.430% and 0.417%.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Postemployment Fringe Benefits — Pension: (continued)

The activity in the Appropriated Surplus Pension account related to pension benefits during 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 61,572	\$ 98,349
Current year appropriation (reduction)	<u>12,159</u>	<u>(36,777)</u>
Balance, end of year	<u>\$ 73,731</u>	<u>\$ 61,572</u>

The pension plan assets of the State are fully funded, and therefore no funding obligation has been recognized. In 2025 and 2024, WCF recorded pension expense of \$26,539 and \$22,483.

H. Postemployment Fringe Benefits – Other Postemployment Benefits:

WCF's employees are employees of the State. New York State Civil Service Law, Section 163.2, provides for health insurance coverage for retired employees of WCF including their spouses and dependent children ("The State Plan"). Eligibility is determined by the membership in the New York State and Local Employees' Retirement System, enrollment in the New York State Health Insurance Program ("NYSHIP") at the time of retirement, and the completion of a minimum number of years of benefits' eligible service.

The State's Actuarial Valuation Reports are prepared as of March 31 (the State's fiscal year-end) and segregate balances relating to the various state agencies, including NYSIF, under GASB 75.

NYSIF, in the course of business, reimburses the State for certain Other Postemployment Benefits ("OPEB") related charges under the State's Plan. Under SSAP No. 92, *Postretirement Benefits Other Than Pensions*, WCF estimates its Normal Cost as of December 31 of each calendar year based on the State's latest available Actuarial Valuation Report, which is as of March 31 of the same calendar year.

WCF carries its net OPEB obligation (i.e., the Normal Cost less the amount WCF has funded to the State for retirees) as a liability. WCF recognizes in the statutory basis statements of income only its annual Normal Cost, as this is WCF's current year expense for the plan for the period, in accordance with statutory accounting principles.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Postemployment Fringe Benefits – Other Postemployment Benefits: (continued)

Projected benefits for financial reporting purposes are based on the State's actuarial calculations and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between employer and plan members to that point. The actuarial calculations reflect a long-term perspective. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. WCF maintains an appropriated surplus account to provide for the portion of the contingency for OPEB costs that have not already been recognized as a net OPEB obligation, as permitted by SSAP No. 72, *Surplus and Quasi-Reorganizations*. Future obligations may vary significantly due to potential future changes in various key assumptions, such as WCF's ultimate allocated share of the liability, discount rate used to develop the present value of future benefits, healthcare inflation, projected healthcare claims, and the likelihood an employee retires, elects healthcare coverage, and survives after retirement. WCF updates the estimate each year-end.

The activity in the Appropriated Surplus OPEB account related to postemployment benefits during 2025 and 2024 is as follows:

	2025	2024
Balance, beginning of year	\$ 650,149	\$ 616,053
Current year appropriation	44,329	34,096
Balance, end of year	<u>\$ 694,478</u>	<u>\$ 650,149</u>

The following table shows the components of WCF's assigned values relating to OPEB expense (normal cost) under the State's plan, the amount credited to the plan, and changes in the net OPEB obligation as of December 31, 2025 and 2024:

	2025	2024
Net OPEB obligation, beginning of year	\$ 40,384	\$ 56,834
Annual OPEB expense (Normal Cost)	14,409	13,845
Estimated contribution credit (retiree premiums paid)	(31,139)	(30,295)
(Decrease) in net OPEB obligation	<u>(16,730)</u>	<u>(16,450)</u>
Net OPEB obligation, end of year	<u>\$ 23,654</u>	<u>\$ 40,384</u>

WCF has an accrued liability for employees' compensation for future absences in the amount of \$21,970 and \$20,982 as of December 31, 2025 and 2024.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Appropriated Surplus Funds:

As described above, WCF may designate a portion of unassigned surplus to provide for contingencies as permitted under NAIC SAP.

Security fluctuation surplus

The security fluctuation appropriation in surplus is an estimate of the potential loss in the investment portfolio's value over a one-year period, calculated at a 95% confidence level. WCF decreased the security fluctuation surplus to \$1,440,000 as of December 31, 2025 from \$1,520,000 at December 31, 2024.

Catastrophe surplus

A review of catastrophe surplus in conjunction with a risk assessment of WCF's exposures resulted in WCF maintaining the catastrophe surplus at \$399,561 as of December 31, 2025 and 2024.

Terrorism catastrophe surplus

WCF has exposure to significant losses from terrorism. The Terrorism Risk Insurance Act of 2002, ("TRIA") was enacted into federal law and established a federal program through the Department of the Treasury, providing a system of shared public and private compensation for insured losses resulting from foreign terrorism.

In order for a loss to be covered under TRIA, the loss must result from an event that is certified as an act of terrorism by the U.S. Secretary of the Treasury. If Congress has declared war, then only workers' compensation losses would be covered by TRIA. The Terrorism Insurance Program ("Terrorism Program") generally requires that all property/casualty insurers licensed in the United States participate in the Terrorism Program. The Terrorism Program became effective upon enactment, and in December 2005, was extended through December 31, 2007. In December 2007, the President signed into law the Terrorism Risk Insurance Program Reauthorization Act of 2007 ("TRIPRA"), extending TRIA for another seven years through December 31, 2014. In December 2019, the President signed into law an extension which expires December 31, 2027. TRIPRA adds domestic terrorism to the list of covered acts, triggers a year-long study of a proposal to mandate coverage for nuclear, biological, chemical and radiological attacks and retains the government's share of insured losses for a major attack at \$100 billion.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Appropriated Surplus Funds: (continued)

Once subject losses have reached the \$100 billion aggregate in a Terrorism Program year, there is no additional reimbursement from the U.S. Treasury and an insurer that has met its deductible for the Terrorism Program year is not liable for any losses (or portion thereof) that exceed the \$100 billion cap. WCF is responsible for a deductible of \$340,013 and \$345,731 for December 31, 2025 and 2024. WCF appropriated \$1,002,339 and \$965,358 of surplus which represents the estimated premium attributable to the foreign and domestic terrorism premium charge at December 31, 2025 and 2024.

Pension and postemployment benefits surplus

WCF records pension and postemployment benefit expenses based on an actuarial estimate from New York State for the net obligation as of December 31 of each calendar year based on the State's latest available actuarial valuation reports (see Notes 2G and 2H).

Appropriated pension surplus increased to \$73,731 at December 31, 2025 from \$61,572 at December 31, 2024.

Other postemployment benefits ("OPEB") appropriated surplus increased to \$694,478 as of December 31, 2025 from \$650,149 at December 31, 2024.

J. Contingent Policyholder Dividends:

Section 90 of the New York State Workers' Compensation Law provides in substance that dividends may be paid at the discretion of the Fund to safety groups. The estimated contingent balance liability recorded by the Fund is based on an estimate of the accumulated contingent balance of each group at year-end. The contingent balance for each safety group is calculated by adding premiums collected and credited investment income and then subtracting reported losses below the purchased loss limit, a provision for incurred but not reported losses, expenses, excess insurance charges and previous dividends. For years beginning on or after January 1, 2023, allocated loss adjustment expenses are included with losses when calculating the contingent balance.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Contingent Policyholder Dividends: (continued)

Activity in contingent policyholder dividends is summarized as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 1,913,210	\$ 1,864,789
Calendar year accrued Safety Group dividend liability	216,850	208,340
Dividends paid to policyholders	<u>(187,806)</u>	<u>(159,919)</u>
Balance, end of year	<u>\$ 1,942,254</u>	<u>\$ 1,913,210</u>

K. Income Tax:

WCF is exempt from federal and state income taxes. WCF is, however, subject to a New York State franchise tax. WCF's franchise tax is based on written premiums. The New York State franchise tax expense was \$28,228 and \$30,506 in 2025 and 2024.

WCF maintains an office and does business in the metropolitan New York area and is subject to the Metropolitan Transit Authority ("MTA") surcharge. The MTA surcharge is based on premiums written on businesses in the metropolitan area and wages paid to employees in the metropolitan area. The MTA surcharge was \$3,843 and \$4,133 in 2025 and 2024.

The franchise and MTA tax expenses are recorded through the statutory basis statements of income.

L. Concentrations of Credit Risk:

Financial instruments that potentially subject WCF to concentrations of credit risk are primarily cash and securities backed by the U.S. Government. Balances maintained in demand deposit accounts in the United States are fully insured by the Federal Deposit Insurance Corporation, ("FDIC") up to \$250. The term "demand deposits" means both interest-bearing and noninterest bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

Cash is held with high-credit quality financial institutions in the United States and, from time to time, may have balances that exceed the amount of insurance provided by the FDIC on such deposits.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Risks and Uncertainties:

WCF invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market risk and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that changes could materially affect the amounts reported in the statutory basis financial statements.

N. Use of Estimates:

The preparation of these statutory basis financial statements in conformity with statutory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statutory basis financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant estimates included in these statutory basis financial statements are the liability for loss and loss adjustment expenses, earned but unbilled premiums and WCF's portion of the pension and OPEB costs estimated by WCF based on the current actuarial valuation prepared for the State, which includes WCF's employees.

O. Reclassifications:

Certain reclassifications have been made to the prior year's statutory basis financial statements to conform to the current year's presentation.

NOTE 3 - INVESTMENTS

Section 87 of the New York State Workers' Compensation Law states that the Commissioner of Taxation and Finance is the custodian of WCF. By order of the Commissioner and approval of DFS, Section 87 allows JPMorgan Chase to serve as WCF's custodian for investments. The type of securities authorized for investment by WCF are mandated by Section 87. All bank deposits are entirely insured or collateralized with securities held by JPMorgan Chase at December 31, 2025 and 2024, in accordance with Section 105 of the New York State Finance Law.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

Effective January 1, 2025, WCF adopted the revised statutory guidance for bonds under SSAP No. 26, *Bonds*, which incorporates a principles-based bond definition. Under this guidance, an investment qualifies as a bond if it represents a creditor relationship with fixed or variable payments and does not possess equity-like characteristics. The adoption of this guidance resulted in the reclassification of certain securities that no longer meet the definition of a bond to preferred stock.

In accordance with the statutory guidance, WCF applied the provisions of this statement on a prospective basis, starting from the adoption date of January 1, 2025. Accordingly, amounts reported for 2024 have not been restated and are not directly comparable to the 2025 presentation.

The book/adjusted carrying value, excess of book adjusted carrying value over fair value of investments of bonds and stocks at December 31, 2025 is as follows:

	2025		
	Book/Adjusted Carrying Value	Deficit (Excess) of Book/Adjusted Carrying Value Over Fair Value	Fair Value
U.S. Government obligations	\$ 3,599,240	\$ (744,682)	\$ 2,854,558
All other governments	54,339	(6,890)	47,449
Municipal Bonds	1,295,323	(136,627)	1,158,696
Corporate bonds	9,515,465	(237,004)	9,278,461
Bank Loans	460,756	2,460	463,216
Subtotal for issuer credit obligations	14,925,123	(1,122,743)	13,802,380
Asset-backed securities	4,540,967	(106,337)	4,434,630
Total bonds	<u>\$ 19,466,090</u>	<u>\$ (1,229,080)</u>	<u>\$ 18,237,010</u>
	Cost or Book Adjusted Carrying Value	Deficit (Excess) of Cost/Adjusted Carrying Value Over Fair Value	Fair Value
Preferred stocks	25,029	31	25,060
Common stocks	1,362,318	1,059,192	2,421,510
Other invested assets	186,477	20,811	207,288
Total equities and other invested assets	<u>\$ 1,573,824</u>	<u>\$ 1,080,034</u>	<u>\$ 2,653,858</u>

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

The amortized cost, gross unrealized gains, gross unrealized losses and estimated market value of investments in bonds and stocks at December 31, 2024 is as follows:

	2024			
	Cost or Book Adjusted Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
U.S. Government and government agency obligations	\$ 6,948,868	\$ 9,177	\$ (1,186,952)	\$ 5,771,093
All other governments	54,397	1	(8,480)	45,918
States, territories, possessions and political subdivisions	275,349	498	(31,865)	243,982
Corporate bonds and public utilities	9,599,348	27,716	(529,157)	9,097,907
Mortgage-backed securities	2,060,666	9,785	(39,807)	2,030,644
Hybrid securities	36,685	140	(1,524)	35,301
Total bonds	18,975,313	47,317	(1,797,785)	17,224,845
Common stocks	1,255,077	849,124	(46,933)	2,057,268
Other invested assets	136,229	8,658	-	144,887
Total investments	\$ 20,366,619	\$ 905,099	\$ (1,844,718)	\$ 19,427,000

The book/adjusted carrying value and fair value of bonds at December 31, 2025 by contractual maturity is shown below. Mortgage-backed securities and collateralized mortgage obligations are distributed by maturity year based on an estimate of the rate of future prepayments of principal over the remaining lives of the securities. Prepayment assumptions are based on market expectations; actual prepayment experience may vary from these estimates.

	Book/Adjusted Carrying Value	Fair Value
Due in one year or less	\$ 977,008	\$ 970,633
Due after one year through five years	7,480,939	7,410,018
Due after five years through ten years	2,780,021	2,795,421
Due after ten years	8,228,122	7,060,938
Total bonds	\$ 19,466,090	\$ 18,237,010

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

WCF participates in securities lending programs whereby certain securities from WCF's portfolio are loaned to other institutions for short periods of time. Under the terms of the lending agreements, WCF receives a fee from the borrower and requires collateral with a market value of at least 102% of the market value of securities loaned. WCF maintains ownership rights to securities loaned and has the ability to sell securities while they are on loan. WCF has an indemnification agreement with lending agents in the event a borrower becomes insolvent or fails to return securities. As of December 31, 2025 and 2024, \$509,666 and \$473,057 of WCF investments were on loan, supported by collateral of \$521,935 and \$484,603.

WCF has reinvested collateral assets in the amount of \$248,700 and \$210,909 as of December 31, 2025 and 2024. For the years ended December 31, 2025 and 2024, WCF received fees of \$5,859 and \$4,722. Fees have been included in investment income earned in the statutory basis statements of income.

The amortized cost and fair value of the reinvested collateral assets at December 31, 2025 and 2024 by contractual maturity are shown below:

	2025	
	Amortized	
	Cost	Fair Value
30 days or less	\$ 248,512	\$ 248,512
31 to 180 days	188	218
Total collateral received	<u>\$ 248,700</u>	<u>\$ 248,730</u>

	2024	
	Amortized	
	Cost	Fair Value
30 days or less	\$ 210,717	\$ 210,718
31 to 180 days	192	220
Total collateral received	<u>\$ 210,909</u>	<u>\$ 210,938</u>

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

WCF has sufficient tradable securities that could be sold to pay for the collateral calls that could come due under a worst-case scenario.

WCF's security lending agreement is with JPMorgan Chase. All bank deposits are entirely insured or collateralized with securities held by JPMorgan Chase at December 31, 2025 and 2024, in accordance with Section 105 of the New York State Finance Law.

Net investment income earned consists principally of interest and dividends on investments as follows:

	<u>2025</u>	<u>2024</u>
Bonds	\$ 715,173	\$ 657,836
Stocks	31,594	28,546
Cash, cash equivalents and short-term investments	37,413	44,322
Real estate - home office	23,717	24,015
Other invested assets	6,876	3,490
Securities lending	5,892	5,240
Other	(6,518)	(1,948)
Investment income earned	<u>814,147</u>	<u>761,501</u>
Investment expenses	(40,186)	(40,965)
Depreciation on real estate and other invested assets	(9,589)	(9,523)
Net realized capital gains (losses)	<u>71,894</u>	<u>205,795</u>
Net investment income	<u><u>\$ 836,266</u></u>	<u><u>\$ 916,808</u></u>

Net realized capital gains on investments, determined on the first-in, first-out method, and impairments in 2025 and 2024, consist of the following:

	<u>2025</u>	<u>2024</u>
Bonds	\$ (14,978)	\$ (43,353)
Stocks	86,864	249,126
Cash and short-term investments	1	10
Securities lending	7	12
Net realized capital gains and impairments	<u><u>\$ 71,894</u></u>	<u><u>\$ 205,795</u></u>

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

Proceeds from investments sold, matured or repaid during the years ended December 31, 2025 and 2024 are \$3,988,314 and \$3,569,252. These sales resulted in gross realized capital gains of \$123,574 and \$273,161, and gross realized capital losses of \$51,680 and \$67,366 in 2025 and 2024, respectively.

The following tables represent WCF's unrealized losses, fair value and amortized cost for bonds and stocks aggregated by investment category and length of time individual securities have been in a continuous unrealized loss position as of December 31, 2025 and 2024.

	2025					
	Less than 12 Months		12 Months or More		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
Issuer Credit Obligations	\$ 519,222	\$ 4,314	\$ 7,521,683	\$ 1,246,007	\$ 8,040,905	\$ 1,250,321
Asset-Backed Securities	110,632	319	1,658,550	147,951	1,769,182	148,270
Total Bonds	629,854	4,633	9,180,233	1,393,958	9,810,087	1,398,591
Common Stock	128,464	20,953	51,467	22,873	179,931	43,826
Preferred Stock	12,040	181	-	-	12,040	181
Total	\$ 770,358	\$ 25,767	\$ 9,231,700	\$ 1,416,831	\$ 10,002,058	\$ 1,442,598

	2024					
	Less than 12 Months		12 Months or More		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
U. S. Government	\$ 616,127	\$ 13,467	\$ 4,862,250	\$ 1,205,350	\$ 5,478,377	\$ 1,218,817
All other governments	-	-	44,154	8,480	44,154	8,480
Corporate Bonds and Public Utilities	1,901,414	46,379	4,994,804	482,778	6,896,218	529,157
Hybrid Securities	-	-	9,384	1,524	9,384	1,524
Mortgage Backed Securities	311,792	4,428	520,842	35,379	832,634	39,807
Total Fixed Maturities	2,829,333	64,274	10,431,434	1,733,511	13,260,767	1,797,785
Common Stock	193,621	25,123	50,570	21,810	244,191	46,933
Total	\$ 3,022,954	\$ 89,397	\$ 10,482,004	\$ 1,755,321	\$ 13,504,958	\$ 1,844,718

Gross unrealized losses represented 6.5% of book/adjusted carrying value of total investments as of December 31, 2025 and 9.1% of cost or amortized cost of total investments for WCF as of December 31, 2024, respectively. Fixed maturities represented 97.0% and 97.5% of WCF's unrealized losses as of December 31, 2025 and 2024. The group of securities in an unrealized loss position for less than twelve months was comprised of 677 and 1,001 securities for WCF as of December 31, 2025 and 2024. The group of securities depressed for twelve months or more are comprised of 1,587 and 1,684 securities for WCF as of December 31, 2025 and 2024.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

The fixed income securities in an unrealized loss position are primarily investment grade securities with extended maturity dates, which have been primarily impacted by a change in interest rates after the purchase date. As part of WCF's ongoing security monitoring process by a committee of investment and accounting professionals, the evaluation for other-than-temporary impairments ("OTTI") is a quantitative and qualitative process, which is subject to risks and uncertainties in the determination of whether declines in the fair value of investments are other-than-temporary. The risks and uncertainties include changes in general economic conditions, the issuer's financial condition or near-term recovery prospects and the effects of changes in interest rates.

SSAP No. 43 — *Asset-Backed Securities* ("SSAP No. 43") requires that OTTI be recognized in earnings for a loan-backed or structured security in an unrealized loss position when it is anticipated that the amortized cost basis will not be recovered. In such situations, the OTTI recognized in earnings is the entire difference between the security's amortized cost and its fair value either (i) WCF intends to sell the security; or (ii) WCF does not have the intent and ability to retain the security for the time sufficient to recover the amortized cost basis. If neither of these two conditions exists, and WCF has the intent and ability to hold the security but does not expect to recover the entire amortized cost, the difference between the amortized cost basis of the security and the present value of projected future cash flows expected to be collected is recognized as an OTTI in earnings.

There are no amounts included in 2025 and 2024 for realized impairment losses related to Asset-Backed securities. There are no additional impairments recorded in 2025 and 2024 on the basis that the present value of future expected cash flows is less than the amortized cost basis of the security as losses are identified on the basis that WCF was unable to retain the security until recovery of amortized cost.

During 2025, WCF recorded \$62 of OTTI related to bank loans and securities lending collateral in the statutory basis statements of income. In 2024, WCF recorded total OTTI of \$1 related to securities lending collateral, as a component of net realized investment gains through the statutory basis statements of income.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

A. Fair Value of Financial Instruments:

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period.

WCF evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to the total investment portfolio.

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale. The fair value of a liability is the amount at which that liability could be incurred or settled in a current transaction between willing parties, that is, other than in a forced or liquidation sale.

Fair values are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analysis, incorporating current market inputs for similar financial instruments with comparable terms and credit quality (matrix pricing). In instances where there is little or no market activity for the same or similar instruments, WCF estimates fair value using methods, models and assumptions that management believes market participants would use to determine a current transaction price. These valuation techniques involve some level of management's estimation and judgment, which becomes significant with increasingly complex instruments or pricing models. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model or input used.

SSAP No. 100, *Fair Value*, defines fair value, establishes a framework for measuring fair value and establishes disclosure requirements about fair value. Included in various investment related line items in the statutory basis financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds and preferred stocks, when NAIC designations fall below a 2 and, therefore, are carried at the lower of cost or market.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

A. Fair Value of Financial Instruments: (continued)

When available, WCF uses quoted market prices to determine the fair values of the aforementioned investment securities. When quoted market prices are not readily available or representative of fair value, pricing determinations are made based on the results of valuation models using observable market data such as recently reported trades, bid and offer information and benchmark securities. Unobservable inputs reflect WCF's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

WCF's financial assets and liabilities carried at fair value, as well as where fair value is disclosed, have been classified for disclosure purposes based on the SSAP No. 100 *Fair Value* hierarchy. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

The levels of the fair value hierarchy are as follows:

Level 1 – Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect WCF's best estimate of what hypothetical market participants would use to determine a transaction price for the asset and liability at the reporting date.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

A. Fair Value of Financial Instruments: (continued)

Net Asset Value (NAV) – Other invested assets are limited partnership investments in which the WCF has an interest of less than 20%. NAV represents WCF's partnership interest in the underlying audited U. S. GAAP equity of the partnerships. Each partnership was formed to acquire a diversified portfolio of interests in private equity, debt or real estate investment funds.

The following table provides information as of December 31, 2025 about WCF's assets carried at fair value along with a brief description of the valuation technique for each type of asset.

Assets at fair value:	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Bonds	\$ -	\$ 56,367	\$ -	\$ -	\$ 56,367
Bank loans	-	37,494	-	-	37,494
Common stocks	2,421,510	-	-	-	2,421,510
Preferred stock	-	23,559	-	-	23,559
Other long-term invested assets	-	-	-	207,288	207,288
Total assets at fair value/NAV	\$ 2,421,510	\$ 117,420	\$ -	\$ 207,288	\$ 2,746,218

The following table provides information as of December 31, 2024 about WCF's assets carried at fair value along with a brief description of the valuation technique for each type of asset.

Assets at fair value:	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Bonds	\$ -	\$ 158,706	\$ -	\$ -	\$ 158,706
Bank loans	-	73,602	-	-	73,602
Common stocks	2,057,268	-	-	-	2,057,268
Other long-term invested assets	-	-	-	144,887	144,887
Total assets at fair value/NAV	\$ 2,057,268	\$ 232,308	\$ -	\$ 144,887	\$ 2,434,463

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

A. Fair Value of Financial Instruments: (continued)

WCF evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for plan benefits.

WCF's policy is to recognize transfers in and out of Levels 2 and 3 as of the end of the reporting period. There are no significant transfers in or out of Level 2 or 3 during 2025 and 2024.

The following table provides information as of December 31, 2025 about WCF's financial instruments disclosed at fair value along with a brief description of the valuation technique for each type of asset.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Fair Value			Net Asset Value (NAV)
			Level 1	Level 2	Level 3	
Bonds	\$ 18,237,010	\$ 19,466,090	\$ -	\$ 18,171,199	\$ 65,811	\$ -
Cash equivalents	4,997	4,996	4,997	-	-	-
Common stocks	2,421,510	2,421,510	2,421,510	-	-	-
Other long-term invested assets	207,288	207,288	-	-	-	207,288
Preferred stock	25,060	25,029	-	25,060	-	-
Security lending	248,730	248,700	248,512	218	-	-
Short term investments	225	224	-	225	-	-
Total	\$ 21,144,820	\$ 22,373,837	\$ 2,675,019	\$ 18,196,702	\$ 65,811	\$ 207,288

The following table provides information as of December 31, 2024 about WCF's financial instruments disclosed at fair value along with a brief description of the valuation technique for each type of assets.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Fair Value			Net Asset Value (NAV)
			Level 1	Level 2	Level 3	
Bonds	\$ 17,224,846	\$ 18,975,313	\$ -	\$ 16,989,627	\$ 235,219	\$ -
Cash equivalents	4,951	4,951	4,951	-	-	-
Common stocks	2,057,268	2,057,268	2,057,268	-	-	-
Other long-term invested assets	144,887	144,887	-	-	-	144,887
Security lending	210,938	210,909	210,718	220	-	-
Short term investments	123,375	123,375	-	123,375	-	-
Total	\$ 19,766,265	\$ 21,516,703	\$ 2,272,937	\$ 17,113,222	\$ 235,219	\$ 144,887

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

A. Fair Value of Financial Instruments: (continued)

Speculative grade fixed maturity investments where fair value is lower than cost and common stocks are recorded at fair value. Securities classified into Level 1 included primarily common stocks and money market mutual funds where there are quoted prices in active markets for identical securities. Unadjusted quoted prices for these securities are provided to WCF by independent pricing services. Quoted prices for these securities are provided to WCF using independent pricing services. Level 2 securities include mostly preferred stocks and bonds, such as mortgage-backed securities and hybrid securities, with pricing using bid evaluations or matrix pricing. Matrix pricing takes quoted prices of bonds with similar features and applies analytic methods to determine the fair value of bonds held. Level 3 securities include some private placement bonds. Features that are inputs into the analysis include duration, credit quality, tax status and call and sinking fund features.

B. Subprime Mortgage Exposure:

WCF has no direct subprime exposure through investments in subprime mortgage loans. WCF has indirect subprime exposure in two mortgage-backed securities in the reinvested collateral assets in the amount of \$188 and \$192 in 2025 and 2024. Both of these securities have been impaired, and they are carried at fair value or lower.

WCF has no underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

C. Wash Sales:

In the course of WCF's management of its investment portfolio, securities may be sold at a loss and repurchased within 30 days of the sale date to enhance WCF's yield on its investment portfolio. In accordance with NAIC guidelines, WCF did not sell any fixed income securities at a loss or in a loss position with an NAIC designation from 3 to 6 for the years ended December 31, 2025 and 2024 that were reacquired within 30 days of the sale date. WCF sold some equity securities, which are classified as unrated by the NAIC, during the year ended December 31, 2025, which were reacquired in January of 2026. The details are as follows:

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

C. Wash Sales: (continued)

Description	NAIC Designation	Number of Transactions	2025		Cost of Securities Repurchased	Gain (Loss)
			Book Value of Securities Sold			
Comon Stocks		22	\$ 332	\$ 912	\$ 487	

D. Restricted Assets:

The following table provides information on amounts and the nature of assets pledged as collateral or otherwise restricted by WCF as of December 31:

Restricted Asset Category	Admitted Restricted		Increase/ Decrease	Nonadmitted Restricted
	12/31/2025	12/31/2024		
Collateral held under security lending agreements	\$ 521,935	\$ 484,603	\$ 37,332	\$ -
Amount in escrow for construction of building	30,028	28,557	1,471	
	<u>\$ 551,963</u>	<u>\$ 513,160</u>	<u>\$ 38,803</u>	<u>\$ -</u>

NOTE 4 - REAL ESTATE

Investment in real estate includes various locations in New York State occupied by NYSIF and other State agencies' employees, as described in Note 9. Depreciation expense recorded in the statutory basis statements of income during 2025 and 2024 was \$9,589 and \$9,523.

NYSIF-owned real estate recorded by WCF at December 31, 2025 and 2024 is as follows:

	2025	2024
Office buildings and improvements, at cost	\$ 171,353	\$ 166,664
Accumulated depreciation	<u>(96,764)</u>	<u>(87,174)</u>
Office buildings and improvements—net of accumulated depreciation	<u>74,589</u>	<u>79,490</u>
Land	3,092	2,735
Land improvements	<u>2,249</u>	<u>2,249</u>
Total real estate	<u>\$ 79,930</u>	<u>\$ 84,474</u>

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 5 - NON-ADMITTED ASSETS

Non-admitted assets at December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Premiums in course of collection		
outstanding over 90 days, net of allowance	\$ 52,870	\$ 64,351
Earned but unbilled premiums	12,422	9,693
Accrued retrospective premiums	338	288
Electronic data equipment/software	516	901
Furniture and equipment, net of accumulated depreciation	3,124	3,803
Prepaid expenses and other	7,899	5,938
	<u>77,169</u>	<u>84,974</u>
Total non-admitted assets	\$ 77,169	\$ 84,974

NOTE 6 - CONTINGENT RECEIVABLE FROM NEW YORK STATE

Over the course of several years, WCF was required to transfer to the State an aggregate of \$1,295,000, which is noninterest bearing and is included in the accompanying statutory basis statements of admitted assets, liabilities and surplus as a contingent receivable due to the repayment conditions. Chapter 55 of the New York State Laws of 1982 required WCF to transfer \$190,000 out of its surplus to the general fund of the State. Chapter 28 of the New York State Laws of 1986 authorized and directed WCF to transfer an additional \$325,000 to the general fund of the State. Chapter 47 of the New York State Laws of 1987 required WCF to pay an additional \$300,000 (\$150,000 to the general fund of the State and \$150,000 to the State's capital fund). Chapter 7 of the New York State Laws of 1989 required WCF to pay an additional \$250,000 to the general fund of the State. As required by Chapter 41 of the New York State Laws of 1990, WCF transferred \$230,000 to the State's general fund. The statutes require the State to appropriate \$1,295,000 annually for the potential repayment of any portion of the aggregate contingent receivable. Such repayment by the State is required only if, in substance, WCF has no assets in excess of its reserves available to pay claims under its Workers' Compensation policies. These statutes specifically require the contingent receivable to be carried as an admitted asset.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 7 - REINSURANCE

Assumed Reinsurance — Section 76 of the New York State Workers' Compensation Law was amended on April 14, 2021, to include subdivision 1-a, which permitted WCF to enter into agreements with insurers licensed to write workers' compensation insurance in states outside of New York. Effective September 1, 2022, WCF entered into a Quota Share reinsurance agreement with Zurich American Insurance Company, American Zurich Insurance Company and Zurich American Insurance Company of Illinois, (collectively "Zurich entities") to provide workers' compensation insurance in states other than New York, provided that the WCF policyholders' New York premiums are greater than the premiums to cover Workers' Compensation insurance in all other states combined. The WCF will invoice and receive premiums for policies written under the quota share agreement, and reimburse the Zurich entities for losses, loss adjustment expenses and fees for the out of state policies. There were assumed written premiums of \$4,799 and \$4,131 in 2025 and 2024 and incurred losses of \$2,613 and \$2,154 in 2025 and 2024, respectively.

Ceded Reinsurance — As part of a prior reinsurance program, WCF reinsured certain risks with other companies. Such arrangements served to limit WCF's maximum loss from catastrophes, large risks and unusually hazardous risks. To the extent that any reinsuring company might be unable to meet its obligations, WCF would be liable for its respective participation in such defaulted amounts. The reserves for losses are \$1,666 and \$1,752 for losses recoverable under reinsurance contracts as of December 31, 2025 and 2024. WCF purchased no reinsurance in 2025 and 2024.

See Note 2[I] on reinsurance afforded through the Terrorism Risk Insurance Act of 2002.

Unsecured Reinsurance Recoverables in Excess of 3% of Surplus:

WCF does not have an unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized or unauthorized, that exceeds 3% of WCF's surplus at December 31, 2025 and 2024.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 8 - RELATED PARTY TRANSACTIONS

Expenses allocated to DBF are \$5,943 in 2025 and \$5,916 in 2024. The amount owed to WCF from DBF is \$2,264 and \$2,325 as of December 31, 2025 and 2024.

NYSIF acts as the administrator of ATF by paying losses on behalf of the ATF. ATF was created under New York State Workers' Compensation Law and is the disbursing agency for certain death and permanent disability claims exclusive of claims applicable to WCF. NYSIF charges ATF an administrative fee based on paid losses for such services at a rate of 3% for awards adjudicated prior to July 1, 2018 and 6% for awards adjudicated on or after July 1, 2018. The total administration fees charged to ATF during 2025 and 2024 are \$2,159 and \$2,262. The amount owed to NYSIF, recorded in WCF from ATF is \$183 and \$184 as of December 31, 2025 and 2024.

WCF administers workers' compensation claims for the State, which self-insures its liability. WCF is reimbursed for losses, allocated loss adjustment expenses, reinsurance and administrative expenses incurred on behalf of the State. During 2025 and 2024, the State reimbursed WCF \$591,814 and \$560,936 for such costs. In 2024, the State advanced \$300,000 to WCF for future claims and processing costs, with no amounts being applied against this advance through December 31, 2025. The amount due to the State was \$268,536 and \$271,757 as of December 31, 2025 and 2024.

Assessments payable to the WCB are estimated based on premium written in the prior quarter, as well as assessment adjustments to policies previously reported. WCF is reimbursed for assessments payable to WCF through premium billing. Policyholders were assessed in the amount of \$122,504 and \$154,702, and estimated payments made to the Workers' Compensation Board were \$124,020 and \$157,299 for the years ended December 31, 2025 and 2024. WCF recorded a liability of \$2,375 and \$4,811 as of December 31, 2025 and 2024 for assessments due to the Workers' Compensation Board.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 8 - RELATED PARTY TRANSACTIONS (CONTINUED)

Amounts due to/from affiliates are as follows as of December 31:

	<u>2025</u>	<u>2024</u>
Due from affiliates		
Aggregate Trust Fund	\$ 183	\$ 184
DBF	<u>2,264</u>	<u>2,325</u>
Total due from affiliates	<u>\$ 2,447</u>	<u>\$ 2,509</u>
Due to affiliates		
New York State	<u>\$ 268,536</u>	<u>\$ 271,757</u>
Total due to affiliates	<u>\$ 268,536</u>	<u>\$ 271,757</u>

NOTE 9 - COMMITMENTS

NYSIF leases office space under non-cancellable operating leases, generally varying from one to fifteen years. WCF's aggregate minimum commitments under non-cancellable operating leases at December 31, 2025 are as follows:

	<u>2025</u>
2026	<u>2,888</u>
2027	<u>2,899</u>
2028	<u>2,716</u>
2029	<u>2,754</u>
2030	<u>2,796</u>
Thereafter	<u>8,305</u>
Net minimum commitments	<u>\$ 22,358</u>

Rental expense (which includes an imputed amount of rent expense attributed to its owned building for WCF of \$17,185 and \$16,963) was \$20,976 and \$21,366 in 2025 and 2024 and is recorded as an offset to investment income earned.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 9 - COMMITMENTS (CONTINUED)

NYSIF leases office space at its 199 Church St. location in New York City to the New York State Division of State Police ("State Police"), the New York State Department of Labor ("DOL") and the New York State Division of Military and Naval Affairs ("DMNA"). The termination date of the State Police lease is July 31, 2032. The termination date of the DOL lease is May 31, 2036 and the termination date of the DMNA lease is September 9, 2026. NYSIF recognized lease income of \$6,532 and \$7,052 in 2025 and 2024 recorded through investment income earned.

WCF has a cash escrow deposit for the construction of a new building in Albany County and the purchase of an adjoining lot. The escrow balance was \$30,028 and \$28,557 as of December 31, 2025 and 2024. The escrow payment is included in Cash on the statutory basis statements of admitted assets, liabilities and surplus.

WCF has made commitments to fund \$224,473 and \$73,237 of limited partnership investments as of December 31, 2025 and 2024. On February 19, 2026, WCF made a commitment to fund \$20,000 to BIG Real Estate Fund III, L.P.

NOTE 10 - RESERVES FOR LOSSES AND LOSS ADJUSTMENT EXPENSES

Activity in the reserves for losses and loss adjustment expenses, net of reinsurance recoveries of \$1,666 for 2025 and \$1,752 for 2024 is summarized as follows:

	<u>2025</u>	<u>2024</u>
Balance — January 1 (net of reinsurance recoveries)	\$ 9,782,067	\$ 9,782,675
Incurred claims related to:		
Current year	1,723,789	1,649,921
Prior years	(362,109)	(304,656)
Total incurred	<u>1,361,680</u>	<u>1,345,265</u>
Paid claims related to:		
Current year	181,125	185,904
Prior years	1,111,745	1,159,969
Total paid	<u>1,292,870</u>	<u>1,345,873</u>
Balance — December 31 (net of reinsurance recoveries)	<u>\$ 9,850,877</u>	<u>\$ 9,782,067</u>

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

**NOTE 10 - RESERVES FOR LOSSES AND LOSS ADJUSTMENT EXPENSES
(CONTINUED)**

These amounts reflect discounting pursuant to New York State prescribed practices that depart from NAIC SAP. See Note 2A, Summary of Significant Accounting Policies.

Loss reserves are estimates of the ultimate settlement and administration of claims, less what has been paid to date. These estimates are based upon generally accepted actuarial methods using currently available data. Loss reserve estimates are refined periodically as experience develops and claims are reported and settled, potentially resulting in increases or decreases to the WCF reserves, both of which would be recognized as an expense during the periods in which these determinations are made.

NOTE 11 - SURPLUS

There are no restrictions placed on WCF's surplus.

Changes in balances of appropriated surplus funds from December 31, 2024 to December 31, 2025 are discussed in Note 2I.

Unassigned surplus includes the accumulated balance for the items listed below:

	<u>2025</u>	<u>2024</u>
Unrealized gains on investments	\$ 1,074,800	\$ 799,678
Nonadmitted assets	(77,169)	(84,974)

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 12 - OTHER UNDERWRITING EXPENSES

The components of other underwriting expenses are as follows:

	<u>2025</u>	<u>2024</u>
Assumed reinsurance commission	\$ 904	\$ 800
Advertising	302	273
Boards, bureaus and associations	5,726	4,999
Surveys and underwriting reports	117	135
Audit of assured's records	623	547
Salaries and payroll taxes	87,455	80,320
Employee relations and welfare	33,716	31,755
Insurance	157	201
Travel and travel items	540	459
Rent and rent items	9,229	9,401
Equipment	684	577
Cost or depreciation of EDP equipment and software	11,884	10,432
Printing and stationery	537	983
Postage and telephone	3,350	3,311
Legal and auditing	2,229	2,203
Change in premium deficiency reserve	30,385	-
Franchise taxes and other fees	33,711	36,034
Miscellaneous expenses	5,827	5,087
	<u> </u>	<u> </u>
Total	<u>\$ 227,376</u>	<u>\$ 187,517</u>

NOTE 13 - CONTINGENCIES

From time to time, WCF is involved in pending and threatened litigation in the normal course of business in which claims for monetary damages are asserted and are considered as part of the estimation of loss and loss adjustment expenses. In the opinion of management, the ultimate liability, if any, arising from such pending or threatened litigation is not expected to have a material effect on the results of operations, liquidity, or financial position of WCF.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 14 - RETROSPECTIVELY RATED CONTRACTS

For certain policies, WCF offers experience-rated insurance contracts whereby the ultimate premium is dependent upon claims incurred. WCF estimates accrued retrospective premium adjustments through the review of each individual retrospectively rated risk, comparing case basis loss development with that anticipated in the policy contract to arrive at the best estimate of return or additional retrospective premium.

The amount of net premiums written subject to retrospective rating feature is \$7,873 and \$4,669 at December 31, 2025 and 2024, respectively, or 0.5% and 0.3% of total net written premiums written for the year ended December 31, 2025 and 2024, respectively.

As of December 31, 2025 and 2024, respectively, premiums receivable included accrued retrospective and unbilled audit premiums of \$3,046 and \$2,590. In accordance with SSAP No. 66, *Retrospectively Rated Contracts*, 10% of the amount of accrued retrospective premiums not offset by retrospective return premiums has been non-admitted as referenced below.

	<u>2025</u>	<u>2024</u>
Accrued retrospective premium receivable	\$ 3,384	\$ 2,878
Less: non-admitted amount (10%)	(338)	(288)
Admitted retrospective premium receivable	<u>\$ 3,046</u>	<u>\$ 2,590</u>

NOTE 15 - SUBSEQUENT EVENTS

Subsequent events have been reviewed in accordance with SSAP No. 9, *Subsequent Events*, for both annual statement reporting and through issuance of these audited statutory basis financial statements. Subsequent events were initially reviewed through February 27, 2026, when the annual statement was filed with the NAIC and DFS. After that date, subsequent events have been reviewed through May 20, 2026, the date which these audited statements were available to be issued.

Subsequent to December 31, 2025, WCF entered into an agreement with the NYS Workers' Compensation Board on April 30, 2026, for advance payment of \$228 million for expected reimbursements of certain New York State claims.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 15 - SUBSEQUENT EVENTS (CONTINUED)

This transaction occurred after the statutory basis statement of admitted assets, liabilities and surplus as of December 31, 2025, and does not relate to the conditions existing at that date. Accordingly, no amounts have been recognized in the accompanying financial statements.

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Commissioners of
The State Insurance Fund Workers' Compensation Fund
New York, New York

We have audited the statutory basis financial statements of the State Insurance Fund Workers' Compensation Fund as of December 31, 2025 and 2024, and for each of the years then ended, and have issued our report thereon dated May 20, 2026, which expressed an unmodified opinion on those statutory basis financial statements. Our audits were conducted for the purpose of forming an opinion on the statutory basis financial statements as a whole. The statutory basis supplementary investment risk interrogatories, statutory basis supplementary summary investment schedule and statutory basis supplementary reinsurance interrogatories are presented for purposes of additional analysis and are not a required part of the statutory basis financial statements, but is information required to be presented to comply with the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures Manual and the NAIC Annual Statement Instructions. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the statutory basis financial statements. The information has been subjected to the auditing procedures applied in the audits of the statutory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the statutory basis financial statements or to the statutory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the statutory basis financial statements as a whole.



EISNERAMPER LLP
New York, New York
May 20, 2026

**STATUTORY BASIS SUPPLEMENTARY SCHEDULES
SUPPLIED IN COMPLIANCE WITH THE NATIONAL ASSOCIATION
OF INSURANCE COMMISSIONERS' INSTRUCTIONS TO
ANNUAL AUDITED FINANCIAL REPORTS**

STATE INSURANCE FUND WORKERS' COMPENSATION FUND

Statutory Basis Supplementary Schedule of Investment Interrogatories Year Ended December 31, 2025

Of The State Insurance Fund Workers' Compensation Fund
Address (City, State, Zip Code): New York, NY 10007
NAIC Group Code: 0000

NAIC Company Code: 36102

Employer's ID Number: 13-3098552

The Investment Risks Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.

Answer the following interrogatories by reporting the applicable U. S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. \$. 25,026,921,168

2. Ten largest exposures to a single issuer/borrower/investment.

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
	<u>Issuer</u>	<u>Description of Exposure</u>	<u>Amount</u>	<u>Percentage of Total Admitted Assets</u>
2.01	Federal Home Loan Mortgage Corporation	Bonds	\$. 1,042,547,372	4.166 %
2.02	Federal National Mortgage Association	Bonds	\$. 765,236,653	3.058 %
2.03	Morgan Stanley	Bonds and Stocks	\$. 425,320,019	1.699 %
2.04	JPMorgan Chase & Co	Bonds and Stocks	\$. 280,062,635	1.119 %
2.05	Bank of America Corp	Bonds and Stocks	\$. 207,311,825	0.828 %
2.06	Apple Inc	Bonds and Stocks	\$. 205,278,370	0.820 %
2.07	Tennessee Valley Authority	Bonds	\$. 191,262,073	0.764 %
2.08	Berkshire Hathaway Inc	Bonds and Stocks	\$. 188,534,700	0.753 %
2.09	NVIDIA Corp	Bonds and Stocks	\$. 174,896,932	0.699 %
2.10	Goldman Sachs Group Inc/The	Bonds and Stocks	\$. 161,652,672	0.646 %

3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC designation.

	<u>Bonds</u>	<u>1</u>	<u>2</u>	<u>Preferred Stocks</u>	<u>3</u>	<u>4</u>
3.01	NAIC 1 \$. 17,742,803,827	70.895 %	3.07	NAIC 1	\$.	%
3.02	NAIC 2 \$. 876,792,672	3.503 %	3.08	NAIC 2	\$. 22,263,334	0.089 %
3.03	NAIC 3 \$. 768,585,076	3.071 %	3.09	NAIC 3	\$. 2,765,586	0.011 %
3.04	NAIC 4 \$. 78,934,941	0.315 %	3.10	NAIC 4	\$.	%
3.05	NAIC 5 \$. 4,194,038	0.017 %	3.11	NAIC 5	\$.	%
3.06	NAIC 6 \$.	%	3.12	NAIC 6	\$.	%

4. Assets held in foreign investments:

4.01 Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets? Yes () No (X)

If response, to 4.01 above is yes, responses are not required for interrogatories 5 - 10.

4.02	Total admitted assets held in foreign investments.	\$. 1,042,315,993	4.165 %
4.03	Foreign-currency-denominated investments.	\$.	%
4.04	Insurance liabilities denominated in that same foreign currency.	\$.	%

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Statutory Basis Supplementary Schedule of Investment Interrogatories (continued)
Year Ended December 31, 2025**

5. Aggregate foreign investment exposure categorized by NAIC sovereign designation:

	<u>1</u>	<u>2</u>	
5.01 Countries designated NAIC 1	\$.. 1,027,708,438	.....	4.106 %
5.02 Countries designated NAIC 2	\$ 8,593,944	.....	0.034 %
5.03 Countries designated NAIC 3 or below	\$ 6,013,611	.....	0.024 %

6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign designation:

	<u>1</u>	<u>2</u>	
Countries designated NAIC 1:			
6.01 Country 1: United Kingdom	\$ 169,771,457	.....	0.678 %
6.02 Country 2: Cayman Islands	\$ 145,736,030	.....	0.582 %
Countries designated NAIC 2:			
6.03 Country 1: Uruguay	\$ 5,835,311	.....	0.023 %
6.04 Country 2: Italy	\$ 1,747,995	.....	0.007 %
Countries designated NAIC 3 or below:			
6.05 Country 1: Gibraltar	\$ 5,063,590	.....	0.020 %
6.06 Country 2: Brazil	\$ 560,321	.....	0.002 %

7. Aggregate unhedged foreign currency exposure

<u>1</u>	<u>2</u>	
\$		%

8. Aggregate unhedged foreign currency exposure categorized by NAIC sovereign designation:

	<u>1</u>	<u>2</u>	
8.01 Countries designated NAIC 1	\$		%
8.02 Countries designated NAIC 2	\$		%
8.03 Countries designated NAIC 3 or below	\$		%

9. Largest unhedged foreign currency exposures by country, categorized by the country's NAIC sovereign designation:

	<u>1</u>	<u>2</u>	
Countries designated NAIC 1:			
9.01 Country 1:	\$		%
9.02 Country 2:	\$		%
Countries designated NAIC 2:			
9.03 Country 1:	\$		%
9.04 Country 2:	\$		%
Countries designated NAIC 3 or below:			
9.05 Country 1:	\$		%
9.06 Country 2:	\$		%

10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:

<u>1</u> <u>Issuer</u>	<u>2</u> <u>NAIC Designation</u>	<u>3</u>	<u>4</u>	
10.01 Westpac Banking Corp	1	\$ 63,580,775	.....	0.254 %
10.02 Siemens AG	1	\$ 63,195,352	.....	0.253 %
10.03 Nordea Bank Abp	1	\$ 49,965,656	.....	0.200 %
10.04 UBS Group AG	1	\$ 44,425,704	.....	0.178 %
10.05 Diageo PLC	1	\$ 42,084,572	.....	0.168 %
10.06 Pfizer Inc	1	\$ 37,761,844	.....	0.151 %
10.07 Inter-American Developm	1	\$ 37,636,718	.....	0.150 %
10.08 Air Liquide SA	1	\$ 32,318,770	.....	0.129 %
10.09 BNP Paribas SA	1	\$ 32,000,000	.....	0.128 %
10.10 HSBC Holdings PLC	1	\$ 31,000,000	.....	0.124 %

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Statutory Basis Supplementary Schedule of Investment Interrogatories (continued)
Year Ended December 31, 2025**

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure:

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ()

If response to 11.01 is yes, detail is not required for the remainder of Interrogatory 11.

	<u>1</u>	<u>2</u>	
11.02 Total admitted assets held in Canadian investments	\$		%
11.03 Canadian-currency-denominated investments	\$		%
11.04 Canadian-denominated insurance liabilities	\$		%
11.05 Unhedged Canadian currency exposure	\$		%

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions.

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ()

If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.

	<u>1</u>	<u>2</u>	<u>3</u>	
12.02 Aggregate statement value of investments with contractual sales restrictions	\$			%
Largest three investments with contractual sales restrictions:				
12.03	\$			%
12.04	\$			%
12.05	\$			%

13. Amounts and percentages of admitted assets held in the ten largest equity interests:

13.01 Are assets held in equity interests less than 2.5% of the reporting entity's total admitted assets? Yes () No (X)

If response to 13.01 above is yes, responses are not required for the remainder of Interrogatory 13.

	<u>1</u> <u>Issuer</u>	<u>2</u>	<u>3</u>	
13.02 Morgan Stanley		\$... 239,615,760	.....	0.957 %
13.03 NVIDIA Corp		\$... 150,648,173	.....	0.602 %
13.04 Alphabet Inc		\$... 102,733,772	.....	0.410 %
13.05 Microsoft Corp		\$... 99,998,107	.....	0.400 %
13.06 Apple Inc		\$... 95,405,461	.....	0.381 %
13.07 Amazon.com Inc		\$... 65,132,095	.....	0.260 %
13.08 Meta Platforms Inc		\$... 39,210,666	.....	0.157 %
13.09 Broadcom Inc		\$... 38,250,972	.....	0.153 %
13.10 Tesla Inc		\$... 29,387,403	.....	0.117 %
13.11 Salesforce Inc		\$... 26,769,950	.....	0.107 %

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Statutory Basis Supplementary Schedule of Investment Interrogatories (continued)
Year Ended December 31, 2025**

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:

14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ()

If response to 14.01 is yes, responses are not required for 14.02 through 14.05.

	<u>1</u>	<u>2</u>	<u>3</u>	
14.02 Aggregate statement value of investments held in nonaffiliated, privately placed equities	\$		%	
Largest 3 investments held in nonaffiliated, privately placed equities:				
14.03	\$		%	
14.04	\$		%	
14.05	\$		%	

Ten largest fund managers:

	<u>1</u> <u>Fund Manager</u>	<u>2</u> <u>Total Invested</u>	<u>3</u> <u>Diversified</u>	<u>4</u> <u>Nondiversified</u>
14.06 Calvert US Large-Cap Core Resp Index	\$	227,250,440	\$	227,250,440
14.07 Blackstone Infrastructure Associates NQ	\$	44,785,009	\$	44,785,009
14.08 Monroe Capital Private Credit Fund IV GP, LLC	\$	26,859,496	\$	26,859,496
14.09 Carlyle Renewable & Sustainable Energy	\$	23,956,989	\$	23,956,989
14.10 Thoma Bravo Fund	\$	27,651,657	\$	27,651,657
14.11 Mesrow Financial Private Equity	\$	20,250,953	\$	20,250,953
14.12 Churchill DE GP, LLC	\$	18,083,947	\$	18,083,947
14.13 Basis Investment Group, LLC	\$	16,335,212	\$	16,335,212
14.14 Neuberger Berman Private Debt Fund V LUX Associates SA	\$	16,000,000	\$	16,000,000
14.15 One Rock Capital Partners IV GP, LP	\$	9,751,667	\$	9,751,667

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ()

If response to 15.01 is yes, responses are not required for the remainder of Interrogatory 15.

	<u>1</u>	<u>2</u>	<u>3</u>	
15.02 Aggregate statement value of investments in general partnership interests.	\$		%	
Largest three investments held in general partnership interests:				
15.03 0	\$		%	
15.04 0	\$		%	
15.05 0	\$		%	

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:

16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ()

If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

	<u>1</u> <u>Type (Residential, Commercial, Agricultural)</u>	<u>2</u>	<u>3</u>	
16.02 0		\$		%
16.03 0		\$		%
16.04 0		\$		%
16.05 0		\$		%
16.06 0		\$		%
16.07 0		\$		%
16.08 0		\$		%
16.09 0		\$		%
16.10 0		\$		%
16.11 0		\$		%

Amount and percentage of the reporting entity's total admitted assets held in the following categories of mortgage loans:

		<u>Loans</u>		
16.12 Construction loans	\$		%	
16.13 Mortgage loans over 90 days past due	\$		%	
16.14 Mortgage loans in the process of foreclosure	\$		%	
16.15 Mortgage loans foreclosed	\$		%	
16.16 Restructured mortgage loans	\$		%	

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Statutory Basis Supplementary Schedule of Investment Interrogatories (continued)
Year Ended December 31, 2025**

17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:

<u>Loan-to-Value</u>	<u>Residential</u>		<u>Commercial</u>		<u>Agricultural</u>	
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
17.01 above 95%	\$	 %	\$	 %	\$	 %
17.02 91% to 95%	\$	 %	\$	 %	\$	 %
17.03 81% to 90%	\$	 %	\$	 %	\$	 %
17.04 71% to 80%	\$	 %	\$	 %	\$	 %
17.05 below 70%	\$	 %	\$	 %	\$	 %

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments real estate:

18.01 Are assets held in real estate reported in less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ()

If response to 18.01 above is yes, responses are not required for the remainder of Interrogatory 18.

Largest five investments in any one parcel or group of contiguous parcels of real estate.

<u>Description</u>	<u>1</u>	<u>2</u>	<u>3</u>
18.02		\$	 %
18.03		\$	 %
18.04		\$	 %
18.05		\$	 %
18.06		\$	 %

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans:

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ()

If response to 19.01 above is yes, responses are not required for the remainder of Interrogatory 19.

<u>1</u>	<u>2</u>	<u>3</u>
19.02 Aggregate statement value of investments held in mezzanine real estate loans:	\$	 %
Largest three investments held in mezzanine real estate loans:		
19.03	\$	 %
19.04	\$	 %
19.05	\$	 %

20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:

	<u>At Year-End</u>		<u>At End of Each Quarter</u>		
	<u>1</u>	<u>2</u>	<u>1st Qtr</u> <u>3</u>	<u>2nd Qtr</u> <u>4</u>	<u>3rd Qtr</u> <u>5</u>
20.01 Securities lending agreements (do not include assets held as collateral for such transactions)	\$ 524,072,614	 2.094 %	\$ 378,373,772	\$ 502,699,669	\$ 503,065,209
20.02 Repurchase agreements	\$	 %	\$	\$	\$
20.03 Reverse repurchase agreements	\$	 %	\$	\$	\$
20.04 Dollar repurchase agreements	\$	 %	\$	\$	\$
20.05 Dollar reverse repurchase agreements	\$	 %	\$	\$	\$

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Statutory Basis Supplementary Schedule of Investment Interrogatories (continued)
Year Ended December 31, 2025**

21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps, and floors:

	<u>Owed</u>			<u>Written</u>	
	<u>1</u>	<u>2</u>		<u>3</u>	<u>4</u>
21.01 Hedging	\$	 %		\$	 %
21.02 Income generation	\$	 %		\$	 %
21.03 Other	\$	 %		\$	 %

22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:

	<u>At Year-End</u>			<u>At End of Each Quarter</u>		
	<u>1</u>	<u>2</u>		<u>1st Qtr</u> <u>3</u>	<u>2nd Qtr</u> <u>4</u>	<u>3rd Qtr</u> <u>5</u>
22.01 Hedging	\$	 %		\$	\$	\$
22.02 Income generation	\$	 %		\$	\$	\$
22.03 Replications	\$	 %		\$	\$	\$
22.04 Other	\$	 %		\$	\$	\$

23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for futures contracts:

	<u>At Year-End</u>			<u>At End of Each Quarter</u>		
	<u>1</u>	<u>2</u>		<u>1st Qtr</u> <u>3</u>	<u>2nd Qtr</u> <u>4</u>	<u>3rd Qtr</u> <u>5</u>
23.01 Hedging	\$	 %		\$	\$	\$
23.02 Income generation	\$	 %		\$	\$	\$
23.03 Replications	\$	 %		\$	\$	\$
23.04 Other	\$	 %		\$	\$	\$

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Statutory Basis Supplementary Summary Investment Schedule
Year Ended December 31, 2025**

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage of Column 1 Line 14	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3+4) Amount	6 Percentage of Column 5 Line 14
1. Issuer credit obligations (Schedule D, Part 1, Section 1):						
1.01 U. S. government obligations	3,301,846,053	14.114	3,309,831,335		3,309,831,335	14.148
1.02 Other U. S. government obligations	297,393,073	1.271	297,393,073		297,393,073	1.271
1.03 Non-U. S. sovereign jurisdiction securities	54,339,413	0.232	54,339,413		54,339,413	0.232
1.04 Municipal bonds - general obligations (direct & guaranteed)	290,860,724	1.243	290,860,724		290,860,724	1.243
1.05 Municipal bonds - special revenue	1,004,462,312	4.294	1,004,462,312		1,004,462,312	4.294
1.06 Project finance bonds issued by operating entities						
1.07 Corporate bonds	8,788,101,490	37.565	8,780,116,208		8,780,116,208	37.530
1.08 Mandatory convertible bonds						
1.09 Single entity backed obligations	280,627,798	1.200	280,627,798		280,627,798	1.200
1.10 SVO-identified bond exchange traded funds - fair value						
1.11 SVO-identified bond exchange traded funds - systematic value						
1.12 Bonds issued by funds representing operating entities	446,736,022	1.910	446,736,022		446,736,022	1.910
1.13 Bank loans - issued						
1.14 Bank loans - acquired	460,755,704	1.969	460,755,704		460,755,704	1.969
1.15 Mortgage loans that qualify as SVO-identified credit tenant loans						
1.16 Certificates of deposit						
1.17 Other issuer credit obligations						
1.18 Total issuer credit obligations	14,925,122,589	63.797	14,925,122,589		14,925,122,589	63.797
2. Asset-backed securities (Schedule D, Part 1, Section 2):						
2.01 Financial asset-backed securities - self-liquidating	4,091,578,944	17.489	4,091,578,944	187,724	4,091,766,668	17.490
2.02 Financial asset-backed securities - not self-liquidating						
2.03 Non-financial asset-backed securities	449,388,226	1.921	449,388,226		449,388,226	1.921
2.04 Total asset-backed securities	4,540,967,170	19.410	4,540,967,170	187,724	4,541,154,894	19.411
3. Preferred stocks (Schedule D, Part 2, Section 1):						
3.01 Industrial and miscellaneous (Unaffiliated)	25,028,920	0.107	25,028,920		25,028,920	0.107
3.02 Parent, subsidiaries and affiliates						
3.03 Total preferred stocks	25,028,920	0.107	25,028,920		25,028,920	0.107
4. Common stocks (Schedule D, Part 2, Section 2):						
4.01 Industrial and miscellaneous Publicly traded (Unaffiliated)	2,193,015,422	9.374	2,193,015,422		2,193,015,422	9.374
4.02 Industrial and miscellaneous Other (Unaffiliated)	208,013	0.001	208,013		208,013	0.001
4.03 Parent, subsidiaries and affiliates Publicly traded						
4.04 Parent, subsidiaries and affiliates Other						
4.05 Mutual funds	228,286,073	0.976	228,286,073		228,286,073	0.976
4.06 Unit investment trusts						
4.07 Closed-end funds						
4.08 Exchange traded funds						
4.09 Total common stocks	2,421,509,508	10.351	2,421,509,508		2,421,509,508	10.351
5. Mortgage loans (Schedule B):						
5.01 Farm mortgages						
5.02 Residential mortgages						
5.03 Commercial mortgages						
5.04 Mezzanine real estate loans						
5.05 Total valuation allowance						
5.06 Total mortgage loans						
6. Real estate (Schedule A):						
6.01 Properties occupied by company	79,930,233	0.342	79,930,233		79,930,233	0.342
6.02 Properties held for production of income						
6.03 Properties held for sale						
6.04 Total real estate	79,930,233	0.342	79,930,233		79,930,233	0.342
7. Cash, cash equivalents and short-term investments:						
7.01 Cash (Schedule E, Part 1)	940,166,076	4.019	940,166,076	2,000,000	942,166,076	4.027
7.02 Cash equivalents (Schedule E, Part 2)	4,996,295	0.021	4,996,295	246,511,876	251,508,171	1.075
7.03 Short-term investments (Schedule DA)	224,458	0.001	224,458		224,458	0.001
7.04 Total cash, cash equivalents and short-term investments	945,386,829	4.041	945,386,829	248,511,876	1,193,898,705	5.103
8. Contract loans						
9. Derivatives (Schedule DB)						
10. Other invested assets (Schedule BA)	207,287,603	0.886	207,287,603		207,287,603	0.886
11. Receivables for securities	733,167	0.003	733,167		733,167	0.003
12. Securities Lending (Schedule DL, Part 1)	248,699,600	1.063	248,699,600	X.XX	X.XX	X.XX
13. Other invested assets (Page 2, Line 11)						
14. Total invested assets	23,394,665,619	100.000	23,394,665,619	248,699,600	23,394,665,619	100.000

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Statutory Basis Supplementary Schedule of Reinsurance Interrogatories
Year Ended December 31, 2025**

For reinsurance contracts entered into, renewed or amended on or after January 1, 1994.

- 7.1 Has this reporting entity reinsured a risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)?

Yes [] No [X]

- 7.2 If 7.1 is yes, indicate the number of reinsurance contracts containing such provisions: N/A

- 7.3 If 7.1 is yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?

Yes [] No [] N/A [X]

- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?

Yes [] No [X] N/A []

- 8.2 If 8.1 is yes, give full information:

Not applicable

- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 3% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 3% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:

- a. A contract term longer than two years and the contract is non-cancelable by the reporting entity during the contract term;
- b. A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
- c. Aggregate stop loss reinsurance coverage;

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Statutory Basis Supplementary Schedule of Reinsurance Interrogatories (continued)
Year Ended December 31, 2025**

- d. An unconditional or unilateral right by either party to commute the reinsurance contract except for such provisions which are only triggered by a decline in the credit status of the other party;
- e. A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
- f. Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?
Yes [] No [X]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:

- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
- (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates?
Yes [] No [X]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:

- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
- (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
- (c) A brief discussion of management's principal objectives in entering into the reinsurance contract including the economic purpose to be achieved.

**STATE INSURANCE FUND
WORKERS' COMPENSATION FUND**

**Statutory Basis Supplementary Schedule of Reinsurance Interrogatories
Year Ended December 31, 2025**

- 9.4 Except for transactions meeting the requirements of paragraph 36 of SSAP No. 62, *Property and Casualty Reinsurance*, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
- (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
 - (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?
- Yes [☐] No [☒]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- Yes [☐] No [☐] N/A [☒]

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

STATUTORY BASIS FINANCIAL STATEMENTS

**AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2025 and 2024**

**STATUTORY BASIS SUPPLEMENTARY SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2025
AND INDEPENDENT AUDITORS' REPORT**

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

Contents

Page

Independent Auditors' Report 1 - 3

Statutory Basis Financial Statements

Statutory Basis Statements of Admitted Assets, Liabilities and Surplus 4

Statutory Basis Statements of Income 5

Statutory Basis Statements of Surplus 6

Statutory Basis Statements of Cash Flows 7

Notes to Statutory Basis Financial Statements 8 - 34

Independent Auditors' Report on Supplementary Information 35

**Statutory Basis Supplementary Schedules Supplied in Compliance with the
National Association of Insurance Commissioners' Instructions to Annual
Audited Financial Reports**

Statutory Basis Supplementary Schedule of Investment Risk Interrogatories 36 - 41

Statutory Basis Supplementary Summary Investment Schedule 42

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of
The State Insurance Fund Disability Benefits Fund
New York, New York

Report on the Statutory Basis Financial Statements

Opinion

We have audited the statutory basis financial statements of the State Insurance Fund Disability Benefits Fund (the "Fund"), which comprise the statutory statements of admitted assets, liabilities and surplus as of December 31, 2025 and 2024, and the related statutory statements of income, surplus, and cash flows for the years then ended, and the related notes to the statutory basis financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying statutory basis financial statements present fairly, in all material respects, the admitted assets, liabilities and surplus of State Insurance Fund Disability Benefits Fund as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended on the basis of accounting described in Note 2A.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the statutory basis financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of State Insurance Fund Disability Benefits Fund as of December 31, 2025 and 2024, or the results of its operations or its cash flows for the years then ended.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2A of the statutory basis financial statements, the statutory basis financial statements are prepared by State Insurance Fund Disability Benefits Fund on the basis of accounting practices prescribed or permitted by the Insurance Department of the New York State Department of Financial Services, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New York State Department of Financial Services. The effects on the statutory basis financial statements of the variances between the regulatory basis of accounting described in Note 2A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the statutory basis financial statements in accordance with the accounting practices prescribed or permitted by the Insurance Department of the New York State Department of Financial Services. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of statutory basis financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the statutory basis financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the statutory basis financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.



- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
May 20, 2026

EISNERAMPER
LLP



**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Statutory Basis Statements of Admitted Assets, Liabilities and Surplus
As of December 31, 2025 and 2024
(in thousands)**

	<u>2025</u>	<u>2024</u>
Admitted assets		
Cash and invested assets:		
Bonds — at NAIC carrying value	\$ 310,709	\$ 166,727
Common stocks, at market value	36,946	31,483
Cash and short-term investments	164,545	281,784
Securities lending reinvested collateral	<u>2,264</u>	<u>2,138</u>
Total cash and invested assets	514,464	482,132
Premium receivables	23,442	21,172
Accrued investment income	<u>2,283</u>	<u>926</u>
Total admitted assets	<u><u>\$ 540,189</u></u>	<u><u>\$ 504,230</u></u>
Liabilities and surplus		
Liabilities:		
Reserve for losses	\$ 12,457	\$ 11,663
PFL risk pool payable	24,285	20,095
Reserve for loss adjustment expenses	1,762	1,720
Unearned premiums	49,499	48,501
Advance premium	3,221	2,958
Due to affiliate	2,264	2,325
Payables for securities and securities lending	2,264	2,143
Accrued expenses and other liabilities	<u>15,020</u>	<u>15,966</u>
Total liabilities	<u>110,772</u>	<u>105,371</u>
Surplus:		
Appropriated surplus funds:		
Security fluctuation	13,240	10,840
Catastrophe	4,000	4,000
Pension and postemployment benefits	10,541	8,308
Unassigned surplus	<u>401,636</u>	<u>375,711</u>
Total surplus	<u>429,417</u>	<u>398,859</u>
Total liabilities and surplus	<u><u>\$ 540,189</u></u>	<u><u>\$ 504,230</u></u>

See accompanying notes to statutory basis financial statements.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Statutory Basis Statements of Income
For the Years Ended December 31, 2025 and 2024
(in thousands)**

	<u>2025</u>	<u>2024</u>
Underwriting income:		
Net written premium	<u>\$ 110,548</u>	<u>\$ 106,994</u>
Net earned premium	<u>\$ 112,463</u>	<u>\$ 115,788</u>
Underwriting expenses:		
Losses incurred:		
Losses prior to PFL risk pool adjustment	62,658	59,911
PFL risk pool incurred	<u>28,474</u>	<u>22,273</u>
Total losses incurred	<u>91,132</u>	<u>82,184</u>
Loss adjustment expenses incurred	6,756	6,591
Other underwriting expenses incurred	<u>8,180</u>	<u>8,049</u>
Total underwriting expenses	<u>106,068</u>	<u>96,824</u>
Net underwriting profit	<u>6,395</u>	<u>18,964</u>
Investment income earned:		
Investment income	19,567	19,167
Investment expenses	(586)	(548)
Net realized capital gains	<u>50</u>	<u>19</u>
Net investment income earned	<u>19,031</u>	<u>18,638</u>
Other income:		
Bad debt expense	(851)	(569)
Miscellaneous income	<u>1,323</u>	<u>1,685</u>
Total other income	<u>472</u>	<u>1,116</u>
Net income	<u><u>\$ 25,898</u></u>	<u><u>\$ 38,718</u></u>

See accompanying notes to statutory basis financial statements.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Statutory Basis Statements of Surplus
For the Years Ended December 31, 2025 and 2024
(in thousands)**

	<u>Appropriated Surplus Funds</u>			<u>Unassigned Surplus</u>	<u>Total Surplus</u>
	<u>Security Fluctuation Surplus</u>	<u>Catastrophe Surplus</u>	<u>Pension & Postemployment Benefits Surplus</u>		
Balance — January 1, 2024	\$ 10,840	\$ 4,000	\$ 8,442	\$ 330,816	\$ 354,098
Net income	-	-	-	38,718	38,718
Change in net unrealized capital gains (losses) – investments	-	-	-	5,749	5,749
Change in nonadmitted assets	-	-	-	294	294
Appropriation of unassigned to (from) appropriated surplus	<u>-</u>	<u>-</u>	<u>(134)</u>	<u>134</u>	<u>-</u>
Balance — December 31, 2024	10,840	4,000	8,308	375,711	398,859
Net income	-	-	-	25,898	25,898
Change in net unrealized capital gains (losses) – investments	-	-	-	4,990	4,990
Change in nonadmitted assets	-	-	-	(330)	(330)
Appropriation of unassigned to (from) appropriated surplus	<u>2,400</u>	<u>-</u>	<u>2,233</u>	<u>(4,633)</u>	<u>-</u>
Balance — December 31, 2025	<u><u>\$ 13,240</u></u>	<u><u>\$ 4,000</u></u>	<u><u>\$ 10,541</u></u>	<u><u>\$ 401,636</u></u>	<u><u>\$ 429,417</u></u>

See accompanying notes to statutory basis financial statements.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Statutory Basis Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024
(in thousands)**

	<u>2025</u>	<u>2024</u>
Cash flows from operations:		
Premiums collected	\$ 110,163	\$ 110,254
Net investment income	17,371	18,481
Miscellaneous expense	472	1,115
Losses and loss adjustment expenses paid, net	(61,863)	(58,687)
PFL risk pool paid	(24,285)	(15,878)
Expenses paid	<u>(14,855)</u>	<u>(15,057)</u>
Net cash provided by operations	<u>27,003</u>	<u>40,228</u>
Cash flows from investments:		
Proceeds from investments sold, matured or repaid	85,494	74,893
Cost of investments acquired	<u>(229,767)</u>	<u>(1,912)</u>
Net cash (used in) provided by investments	<u>(144,273)</u>	<u>72,981</u>
Cash flows provided by other sources	<u>31</u>	<u>571</u>
Net change in cash and short-term investments	(117,239)	113,780
Cash and short-term investments:		
Beginning of year	<u>281,784</u>	<u>168,004</u>
Cash and short-term investments:		
End of year	<u><u>\$ 164,545</u></u>	<u><u>\$ 281,784</u></u>

See accompanying notes to statutory basis financial statements.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 1 - ORGANIZATION AND PURPOSE

The State Insurance Fund ("NYSIF"), which includes the operations of Disability Benefits Fund ("DBF") and Workers' Compensation Fund ("WCF"), is a nonprofit agency of the State of New York (the "State"). NYSIF also administers the Aggregate Trust Fund ("ATF"). By statute, NYSIF maintains separate records for each fund.

In *Methodist Hospital of Brooklyn v. State Insurance Fund (1985)*, The New York State Court of Appeals held that NYSIF is "a State agency for all of whose liabilities the State is responsible".

DBF offers statutory disability benefits insurance that satisfies an employer's requirement to provide partial wage replacement benefits to their employees for off-the-job injuries or illnesses and disabilities arising from pregnancies. Statutory disability benefits are equal to one-half the average weekly wage of the employee, up to a maximum benefit of \$170 for 26 weeks, if necessary, within a 52-week period. Medical care is the responsibility of the claimant.

DBF offers mandatory New York State Paid Family Leave ("PFL") coverage, which is added as an endorsement to disability policies and is funded through employee payroll deductions. PFL provides workers with job-protected, paid leave to bond with a new child, care for a loved one with a serious condition or help relieve family pressures when an eligible family member is deployed abroad on active military service.

The home office properties are occupied jointly by all three funds. Because of this relationship, DBF incurs operating expenses allocated to DBF by WCF based on the level of services provided. Management believes the method of allocating such expenses is fair and reasonable. WCF allocates the cost of services rendered to DBF based on a percentage of DBF employees, salaries and square footage occupied.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation:

The accompanying statutory basis financial statements of DBF are presented in conformity with accounting practices prescribed by the New York State Department of Financial Services ("DFS"). DFS recognizes only New York Statutory Accounting Practices ("NY SAP") for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under New York State Insurance Law. The current version of the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures Manual ("NAIC SAP") has been adopted as a component of NY SAP.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation: (continued)

Differences between NAIC SAP and NY SAP:

The State has prescribed certain accounting practices that differ from those found in NAIC SAP. Such differences are identified herein as NY SAP where applicable.

In addition, the Superintendent of DFS has the right to permit other specific practices that may deviate from prescribed practices. The DFS, under State statutes and regulations, does not require DBF to report Risk Based Capital (RBC). NY Insurance Law 1108(c) specifically exempts DBF from licensing and most other requirements under the Insurance Law.

Differences between NY SAP and U.S. GAAP:

The accounting practices and procedures of NY SAP and NAIC SAP (collectively referred to as "SAP") comprise a comprehensive basis of accounting other than generally accepted accounting principles in the United States ("U.S. GAAP"). The more significant differences between SAP and U.S. GAAP, which are applicable to DBF, are set forth below:

- a. Bonds are generally carried at amortized cost. Under U.S. GAAP, such securities are classified into "held to maturity" and reported at amortized cost, or "trading" and reported at fair value with unrealized gains and losses included in earnings, or "available for sale" and reported at fair value with unrealized gains and losses reported as a separate component of surplus.

All single class and multi-class mortgage-backed/asset-backed securities are adjusted for the effects of changes in prepayment assumptions on the related accretion of discount or amortization of premium of such securities using either the retrospective or prospective methods. If it is determined that a decline in fair value is other-than-temporary, the cost basis of the security is written down to the discounted estimated future cash flows.

Under U.S. GAAP, all securities, purchased or retained, that represent beneficial interests in securitized assets (e.g., collateralized mortgage obligations or asset-backed securities), other than high-credit quality securities, are adjusted using the prospective method when there is a change in estimated future cash flows. If it is determined that a decline in fair value is other-than-temporary, the cost basis of the security is written down to the discounted fair value.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation: (continued)

Differences between NY SAP and U.S. GAAP: (continued)

- b. Common stocks are reported at fair value, as determined by the NAIC's Securities Valuation Office ("SVO") and other independent pricing sources and the related net unrealized capital gains and losses are reported in unassigned surplus. Under U.S. GAAP, common stocks are reported at fair value with unrealized gains and losses included in earnings.
- c. Cash and short-term investments in the statutory basis statements of cash flows represent cash balances and investments with initial maturities of one year or less. Under U.S. GAAP, the corresponding caption of cash and cash equivalents includes cash balances and investments with initial maturities of three months or less.
- d. Policy acquisition costs (principally underwriting and marketing-related costs) are expensed as incurred, whereas under U.S. GAAP these costs are recorded as a prepaid expense and amortized to income on the same basis as premium income is recognized.
- e. Certain assets designated as non-admitted assets (principally premiums in the course of collection outstanding over 90 days, 10% of earned but unbilled premium and prepaid expenses) are charged directly against surplus. Under U.S. GAAP, all premiums in course of collection and prepaid expenses would be included in total assets, net of valuation allowances.
- f. Under U.S. GAAP, all EDP and related equipment is recorded as assets, less accumulated depreciation over their useful lives. DBF's policy is to capitalize EDP and related equipment with a cost of \$2 or greater and to depreciate it over its estimated useful life of up to three years, which is within the guidance of NY SAP.
- g. An appropriation of surplus for security fluctuations has been established for the difference between the amortized cost of securities and their fair value. Such an appropriation is established for future contingencies, rather than allocated to specific investments. In addition, a reasonable portion of unassigned surplus has been established as an appropriation for terrorism, catastrophes and postemployment benefits.
- h. Comprehensive income and its components are not presented in the statutory basis financial statements.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation: (continued)

Differences between NY SAP and U.S. GAAP: (continued)

- i. The net amount of all cash accounts is reported jointly. Cash accounts with positive balances are not reported separately from cash accounts with negative balances. If in the aggregate, the reporting entity has a net negative cash balance, it is reported as a negative asset. Under U.S. GAAP, positive cash balances are reported as assets while net negative cash balances are reported as liabilities.
- j. The statutory basis financial statements do not reflect a measure of credit losses for financial assets, known as the current expected credit losses model ("CECL"). Under U.S. GAAP, expected credit losses are used to estimate current losses resulting in a recorded allowance.
- k. The aggregate effect of the foregoing differences between NY SAP and U.S. GAAP on the accompanying statutory basis financial statements has not been determined, however, it is presumed to be material.

B. Investments:

Effective January 1, 2025, DBF adopted the revised statutory guidance for bonds under SSAP No. 26, *Bonds*, which incorporates a principles-based bond definition (see Note 3). Investments are generally valued in accordance with the valuation procedures of the NAIC.

Bonds are principally carried at amortized cost. Discount or premium on bonds is amortized using the scientific method, which is a variation of the effective interest method. Short-term investments consist of bonds purchased within a year of the maturity date which are stated at amortized cost. Market value is primarily based on market prices obtained from the SVO and JPMorgan Chase.

For mortgage-backed fixed maturity securities, DBF recognizes income using the constant effective yield method, based on anticipated prepayments over the economic life of the security. Mortgage-backed securities are accounted for by the retrospective method and prepayment assumptions are based on market conditions. When actual payments differ significantly from anticipated prepayments, the effective yield is recalculated to reflect actual payments to date and anticipated future payments, and any resulting adjustment is included in net investment income.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Investments: (continued)

Common stocks are carried at fair value, which is obtained from JPMorgan Chase and other pricing sources. The unrealized gain or loss for common stocks is the change in fair value from the prior year-end and is reflected as a separate component of unassigned surplus. Realized gains and losses are calculated based on the difference between cost and the consideration received at the time of sale or fair value at time of impairment and are included in the statutory basis statements of income.

Receivable and payable for securities represent sales and purchases of securities that are unsettled at year-end.

Realized gains and losses on the sale of investments are calculated based on the difference between the carrying value and the consideration received at the time of sale or fair value at time of impairment, and are included in the statutory basis statements of income.

Investment income earned consists primarily of interest and dividends. Interest is recognized on an accrual basis and dividends are recorded as earned at the ex-dividend date. Interest income on mortgage-backed and asset-backed securities is determined on the effective yield method based on estimated principal repayments. Accrual of income is suspended for bonds and mortgage loans that are in default or when the receipt of interest payments is in doubt. Realized capital gains and losses are determined using the first-in, first-out method.

An investment in a debt security is impaired if its fair value falls below book value and the decline is considered other-than-temporary. Factors considered in determining whether a loss is other-than-temporary include the length of time and extent to which fair value has been below cost, the financial condition and near-term prospects of the issuer, and DBF's ability and intent to hold the investment for a period of time sufficient to allow for an anticipated recovery. A debt security is impaired if it is probable that DBF will not be able to collect all the amounts due under the security contractual terms. Other-than-temporary declines in fair value of investments are included in realized losses. There are no realized losses related to impairment losses during 2025 and 2024.

C. Premium Revenue and Related Accounts:

DBF records written premiums on the effective date of the policy and earns the related premium income over the life of the policy.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Premium Revenue and Related Accounts: (continued)

DBF records premium receivables as an admitted asset if the following three conditions are met: (1) a bill for the premium amount is no more than 90 days past due, (2) the bill date is within six months after the expiration of the policy year, and (3) no other bill for the same policy is considered non-admitted.

At December 31, 2025 and 2024, the outstanding statutory premium receivable balance (90 days and under), is stated net of \$2,926 and \$2,619 of non-admitted amounts. DBF routinely assesses the collectability of receivables and establishes an appropriate allowance at each year-end. Bad debt expense of \$851 and \$569 were recorded in the statutory basis statements of income for the year ended December 31, 2025 and 2024.

For DBF, unearned premiums represent the pro-rata portion of premiums and endorsements written that are applicable to the unexpired term of policies in force at year-end.

Also included in the reserve for unearned premiums are estimates for Return of Premium Program ("ROP") in the amount of \$1,851 and \$2,476 at December 31, 2025 and 2024, and the Premium Adjustment Plan ("PAP") in the amount of \$1,493 and \$2,069 at December 31, 2025 and 2024 (see Note 2K). ROP is a program whereby policyholders with 49 or fewer employees become members of a group of policyholders and a premium credit is estimated based on the group's loss ratio that is not in excess of the industry standard as established by DFS.

PAP is a program whereby policyholders with annual premium greater than \$1 may qualify for an annual credit based on policyholder's individual claim performance. If the total annual premium is greater than the total claims paid, after all claims are closed for that same period, multiplied by a factor of 1.2, a PAP credit is awarded, subject to certain minimum requirements. Other qualifications for both ROP and the PAP are that the policyholder must maintain an active status with DBF throughout the policy year and have payroll reports submitted after the end of the policy period.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Reserves for Losses and Loss Adjustment Expenses:

Reserves for losses and loss adjustment expenses ("LAE"), which include case and incurred but not reported ("IBNR") reserves, are estimated using generally accepted actuarial methods. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined. An independent actuarial consulting firm reviews the estimated liability. DBF's management believes that the assumptions used in determining this liability are reasonable and that the amount recorded represents the best estimate of the ultimate cost of investigating, defending and settling claims.

Case reserves for losses of DBF are based on individual case estimates for claims incurred on or before December 31, 2025.

DBF's actual future experience may not conform to the assumptions inherent in the determination of the liability. Accordingly, the ultimate settlement value may vary significantly from the amounts included in the statutory basis financial statements and the difference may be material.

The DFS has imposed a risk adjustment mechanism on insurers writing PFL coverage. Each year, those carriers with PFL loss ratios lower than the average industry loss ratio make a risk adjustment payment and those carriers with loss ratios higher than the average industry loss ratio receive a risk adjustment payment. The payment and receipt of risk adjustments is intended to ensure all carriers have an equivalent loss ratio within specific employer size groupings. DBF records a reserve for PFL coverage including an estimate of future risk adjustments. The reserve carries a high degree of uncertainty as the information regarding industry results, necessary to calculate the risk adjustment, are largely unknown. Differences between risk adjustment reserve amounts and actual payments made or received, are recorded in income in the period in which the estimates are changed or payments are made in accordance with SAP guidance. During 2025 and 2024, DBF made a risk adjustment payment of \$24,285 and \$15,878.

DBF does not cede or assume any reinsurance. DBF does not participate in any voluntary or involuntary pools.

The reserves for loss and LAE of DBF are not discounted.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Postemployment Fringe Benefits – Pension:

All employees of DBF are eligible to be covered under a retirement plan administered by the New York State Employees Retirement System. For employees hired prior to July 27, 1976, the plan is noncontributory. For employees hired on or after July 27, 1976, but before 2015, the plan is partially contributory in the first ten years of employment and noncontributory thereafter. For employees hired on and after January 1, 2015, the plan is partially contributory for the entire term of employment.

DBF has determined that they are not directly liable for this obligation and as such, in accordance with SSAP No. 102, *Pensions*, DBF records its obligation based on amounts billed by the State. DBF records the difference between amounts billed by the State and amounts paid to the State as a liability or prepaid asset. DBF has a non-admitted prepaid asset for pension benefits in the amount of \$262 and \$239 as of December 31, 2025 and 2024.

Based on actual costs billed by various State agencies, DBF incurred \$2,919 and \$2,971 of benefits and indirect costs in 2025 and 2024, recorded through other underwriting expenses in the statutory basis statements of income.

DBF also estimates a contingent liability for the net pension liability as of December 31 of each calendar year based on the State's latest available Actuarial Valuation Report, which is as of March 31 of the same calendar year.

During the years ended December 31, 2025 and 2024, DBF appropriated surplus to provide for the net pension obligation costs as permitted by SSAP No. 72, *Surplus and Quasi-Reorganizations*. Future obligations may vary significantly due to potential future changes in various key assumptions, such as DBF's ultimate allocated share of the obligation, investment earnings and actuarial projections. DBF updates the estimate each year-end.

At December 31, 2025 and 2024, DBF's pro-rata portion of its New York State Employees' net pension obligation was \$2,080 and \$1,621. The pension obligation was measured by the State as of March 31, 2025 and 2024, with DBF's portion of the obligation based on a ratio of its employees to State employees. As of March 31, 2025 and 2024, DBF's approximate proportionate share was 0.01%.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Postemployment Fringe Benefits – Pension: (continued)

The activity in the Appropriated Surplus Pension account related to pension benefits during 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 1,621	\$ 3,099
Current year appropriation	459	(1,478)
Balance, end of year	<u>\$ 2,080</u>	<u>\$ 1,621</u>

The pension plan assets of the State are fully funded, and therefore, no funding obligation has been recognized. In 2025 and 2024, DBF recorded pension expense of \$1,023 and \$870.

F. Postemployment Fringe Benefits – Other Postemployment Benefits:

DBF's employees are employees of the State. New York State Civil Service Law, Section 163.2, provides for health insurance coverage for retired employees of DBF including their spouses and dependent children (the "State Plan"). Eligibility is determined by the membership in the New York State and Local Employees' Retirement System, enrollment in the New York State Health Insurance Program ("NYSHIP") at the time of retirement, and the completion of a minimum number of years of benefits' eligible service.

The State's Actuarial Valuation Reports are prepared as of March 31 (the State's fiscal year-end) and segregate balances relating to the various state agencies, including NYSIF, under GASB 75.

NYSIF, in the course of business, reimburses the State for certain Other Postemployment Benefits ("OPEB") related charges under the State's Plan. Under SSAP No. 92, *Postretirement Benefits Other Than Pensions*, DBF estimates its Normal Cost as of December 31 of each calendar year based on the State's latest available Actuarial Valuation Report, which is as of March 31 of the same calendar year.

DBF carries its net OPEB obligation (i.e., the Normal Cost less the amount DBF has funded to the State for retirees) as a liability. DBF recognizes in the statutory basis statements of income only its annual Normal Cost, as this is DBF's current year expense for the plan for the period, in accordance with statutory accounting principles.

Projected benefits for financial reporting purposes are based on the State's actuarial calculations and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between employer and plan members to that point.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Postemployment Fringe Benefits – Other Postemployment Benefits: (continued)

The actuarial calculations reflect a long-term perspective. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. DBF maintains an appropriated surplus account to provide for the portion of the contingency for OPEB costs that have not already been recognized as a net OPEB obligation, as permitted by SSAP No. 72, *Surplus and Quasi-Reorganizations*. Future obligations may vary significantly due to potential future changes in various key assumptions, such as DBF's ultimate allocated share of the liability, discount rate used to develop the present value of future benefits, healthcare inflation, projected healthcare claims, and the likelihood an employee retires, elects healthcare coverage, and survives after retirement. DBF updates the estimate each year-end.

The activity in the Appropriated Surplus OPEB account related to postemployment benefits during 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 6,687	\$ 5,343
Current year appropriation	<u>1,774</u>	<u>1,344</u>
Balance, end of year	<u><u>\$ 8,461</u></u>	<u><u>\$ 6,687</u></u>

The following table shows the components of DBF's assigned values relating to OPEB expense (normal cost) under the State's plan, the amount credited to the plan, and changes in the net OPEB obligation as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Net OPEB obligation, beginning of year	\$ -	\$ 525
Annual OPEB expense (Normal Cost)	544	556
Estimated contribution credit (retiree premiums paid)	<u>(544)</u>	<u>(1,081)</u>
Increase (Decrease) in net OPEB obligation	<u>\$ -</u>	<u>\$ (525)</u>
Net OPEB obligation, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

DBF has an accrued liability for employees' compensation for future absences in the amount of \$587 and \$580 as of December 31, 2025 and 2024.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Appropriated Surplus Funds:

As described above, DBF may designate a portion of unassigned surplus to provide for contingencies as permitted under NAIC SAP.

Security fluctuation surplus

The security fluctuation appropriation in surplus is an estimate of the potential loss in the investment portfolio's value over a one year period, calculated at a 95% confidence level. DBF security fluctuation surplus increased to \$13,240 as of December 31, 2025 from \$10,840 at December 31, 2024.

Catastrophe surplus

A review of catastrophe surplus in conjunction with a risk assessment of DBF's exposures resulted in DBF maintaining the catastrophe surplus at \$4,000 as of December 31, 2025 and 2024.

Pension and postemployment fringe benefits surplus

DBF records pension and postemployment benefits expenses and estimates a contingent liability for the net obligation as of December 31 of each calendar year based on the State's latest available actuarial valuation reports (see Notes 2E and 2F). Appropriated pension surplus increased to \$2,080 as of December 31, 2025 from \$1,621 at December 31, 2024. Other postemployment benefits ("OPEB") surplus increased to \$8,461 as of December 31, 2025 from \$6,687 at December 31, 2024.

H. Income Tax:

DBF is exempt from federal and state income taxes. DBF is, however, subject to a New York State franchise tax. DBF's franchise tax is based on written premiums. The New York State franchise tax expense was \$1,935 in 2025 and \$1,872 in 2024.

DBF maintains an office and does business in the metropolitan New York area and is subject to the Metropolitan Transit Authority ("MTA") surcharge. The MTA surcharge is based on premiums written on businesses in the metropolitan area and wages paid to employees in the metropolitan area. The MTA surcharge was \$293 in 2025 and \$264 in 2024.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Income Tax: (continued)

The franchise and MTA tax expenses are recorded through the statutory basis statements of income.

I. Concentrations of Credit Risk:

Financial instruments that potentially subject DBF to concentrations of credit risk are primarily cash and securities backed by the U.S. Government. Balances maintained in demand deposit accounts in the United States are fully insured by the Federal Deposit Insurance Corporation, ("FDIC") up to \$250. The term "demand deposit" means both interest and non-interest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

Cash is held with high-credit quality financial institutions in the United States and, from time to time, may have balances that exceed the amount of insurance provided by the FDIC on such deposits.

J. Risks and Uncertainties:

DBF invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market risk and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statutory basis financial statements.

K. Use of Estimates:

The preparation of these statutory basis financial statements in conformity with statutory basis accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statutory basis financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant estimates included in these statutory basis financial statements are the liability for loss and LAE, ROP and PAP estimates in unearned premiums, and DBF's portion of the pension and OPEB costs estimated by DBF based on the current actuarial valuation prepared for New York State, which includes DBF's employees.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Reclassifications:

Certain reclassifications have been made to the prior year's statutory basis financial statements to conform to the current year's presentation.

NOTE 3 - INVESTMENTS

Section 87 of the New York State Workers' Compensation Law states that the Commissioner of Taxation and Finance is the sole custodian of DBF. By order of the Commissioner and approval of DFS, Section 87 allows JPMorgan Chase to serve as DBF's custodian for investments. The types of securities authorized for investment by DBF are mandated by Section 87. All bank deposits are entirely insured or collateralized with securities held by JPMorgan Chase at December 31, 2025 and 2024, in accordance with Section 105 of the New York State Finance Law.

Effective January 1, 2025, DBF adopted the revised statutory guidance for bonds under SSAP No. 26, *Bonds*, which incorporates a principles-based bond definition. Under this guidance, an investment qualifies as a bond if it represents a creditor relationship with fixed or variable payments and does not possess equity-like characteristics. The adoption of this guidance did not result in reclassification of fixed income securities.

In accordance with the statutory guidance, DBF applied the provisions of this statement on a prospective basis, starting from the adoption date of January 1, 2025. Accordingly, amounts reported for 2024 have not been restated and are not directly comparable to the 2025 presentation.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

The cost and book/adjusted carrying value, excess of cost and book adjusted carrying value over fair value and fair value of investments of bonds and stocks at December 31, 2025 is as follows:

	2025		
	Book/Adjusted Carrying Value	Deficit (Excess) of Book/Adjusted Carrying Value Over Fair Value	Fair Value
U.S. Government Obligations	\$ 20,014	\$ (223)	\$ 19,791
Corporate Bonds	146,888	310	147,198
Subtotal for Issuer Credit Obligations	166,902	87	166,989
Asset-Backed Securities	143,807	1,490	145,297
Total Bonds	<u>\$ 310,709</u>	<u>\$ 1,577</u>	<u>\$ 312,286</u>
	Cost	Deficit (Excess) of Cost Over Fair Value	Fair Value
Common stocks	<u>\$ 25,400</u>	<u>\$ 11,546</u>	<u>\$ 36,946</u>

The amortized cost, gross unrealized gains, gross unrealized losses and estimated market value of investments in bonds and stocks at December 31, 2024 is as follows:

	2024			
	Cost or Book Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
U.S. Government and government agency obligations	\$ 17,689	\$ -	\$ (760)	\$ 16,929
Corporate bonds and public utilities	87,673	4	(1,480)	86,197
Mortgaged/Loan backed securities	61,365	578	(198)	61,745
Total bonds	166,727	582	(2,438)	164,871
Common stocks	24,927	8,447	(1,891)	31,483
Total investments	<u>\$ 191,654</u>	<u>\$ 9,029</u>	<u>\$ (4,329)</u>	<u>\$ 196,354</u>

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

The book/adjusted carrying value and fair value of bonds at December 31, 2025 by contractual maturity is shown below. Actual maturities may differ from contractual maturities because certain issuers may have the right to call or prepay obligations with or without penalties.

	<u>Book/Adjusted Carrying Value</u>	<u>Fair Value</u>
Due in one year or less	\$ 33,023	\$ 32,739
Due in one year through five years	235,208	236,627
Due in five years through ten years	17,737	17,874
Due after ten years	<u>24,741</u>	<u>25,046</u>
Total Bonds	<u>\$ 310,709</u>	<u>\$ 312,286</u>

DBF participates in securities lending programs whereby certain securities from DBF's portfolio are loaned to other institutions for short periods of time. Under the terms of the lending agreements, DBF receives a fee from the borrower and requires collateral with a market value of at least 102% of the market value of securities loaned. DBF maintains ownership rights to securities loaned and has the ability to sell securities while they are on loan. DBF has an indemnification agreement with lending agents in the event a borrower becomes insolvent or fails to return securities. As of December 31, 2025 and 2024, \$20,120 and \$13,571 of DBF investments were on loan, supported by collateral of \$20,547 and \$13,864.

DBF had reinvested collateral assets in the amount of \$2,257 and \$2,138 as of December 31, 2025 and 2024. For the years ended December 31, 2025 and 2024, DBF received fees of \$65 and \$87. Fees have been included in investment income earned in the statutory basis statements of income.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

The amortized cost and fair value of the reinvested collateral assets at December 31, 2025 and 2024 by contractual maturity are shown below:

	<u>2025</u>	
	Amortized Cost	Fair Value
30 days or less	\$ 2,257	\$ 2,257
Total collateral received	\$ 2,257	\$ 2,257
	<u>2024</u>	
	Amortized Cost	Fair Value
30 days or less	\$ 2,138	\$ 2,138
Total collateral received	\$ 2,138	\$ 2,138

DBF has sufficient tradable securities that could be sold and used to pay for the collateral calls that could come due under a worst-case scenario.

DBF has security lending agreements with JPMorgan Chase. All bank deposits are entirely insured or collateralized with securities held by JPMorgan Chase at December 31, 2025, in accordance with Section 105 of the New York State Finance Law.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

Net investment income earned consists principally of interest and dividends on investments as follows:

	<u>2025</u>	<u>2024</u>
Bonds	\$ 9,429	\$ 7,602
Stocks	424	394
Cash and short-term investments	9,698	11,156
Security lending	65	87
Other	(49)	(72)
Investment income	<u>19,567</u>	<u>19,167</u>
Investment expenses	(586)	(548)
Net realized capital gains	<u>50</u>	<u>19</u>
Net investment income	<u><u>\$ 19,031</u></u>	<u><u>\$ 18,638</u></u>

Net realized capital gains (losses) on investments, determined on the first-in, first-out method, and impairments in 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Bonds	\$ -	\$ (37)
Stocks	<u>50</u>	<u>56</u>
Net realized capital gains	<u><u>\$ 50</u></u>	<u><u>\$ 19</u></u>

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

Proceeds from investments sold, matured, or repaid during the years ended December 31, 2025 and 2024 were \$85,494 and \$74,893. In 2025, these sales resulted in gross realized capital gains of \$185 and gross realized capital losses of \$135. In 2024, these sales resulted in gross realized capital gains of \$170 and gross realized capital losses of \$151.

The following tables represent DBF's unrealized losses, fair value and amortized cost for bonds and stock aggregated by investment category and length of time individual securities have been in a continuous unrealized loss position as of December 31, 2025 and 2024.

	2025					
	Less Than 12 Months		12 Months or More		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
Issuer Credit Obligations	\$ 12,821	\$ (20)	\$ 51,157	\$ (560)	\$ 63,978	\$ (580)
Asset-Backed Securities	5,638	(8)	6,287	(70)	11,925	(78)
Total fixed maturities	18,459	(28)	57,444	(630)	75,903	(658)
Common stock	2,172	(374)	3,179	(1,597)	5,351	(1,971)
Total	\$ 20,631	\$ (402)	\$ 60,623	\$ (2,227)	\$ 81,254	\$ (2,629)

	2024					
	Less Than 12 Months		12 Months or More		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
U.S. government	\$ 1,303	\$ (11)	\$ 15,626	\$ (749)	\$ 16,929	\$ (760)
Corporate and public utilities	-	-	83,695	(1,480)	83,695	(1,480)
Mortgage backed securities	-	-	16,246	(198)	16,246	(198)
Total fixed maturities	1,303	(11)	115,567	(2,427)	116,870	(2,438)
Common stock	3,131	(358)	3,239	(1,533)	6,370	(1,891)
Total	\$ 4,434	\$ (369)	\$ 118,806	\$ (3,960)	\$ 123,240	\$ (4,329)

Gross unrealized losses represented 0.76% and 2.26% of the total cost or amortized cost of total investments for DBF as of December 31, 2025 and 2024. Fixed maturities represented 25.0% and 56.3% of DBF's unrealized losses as of December 31, 2025 and 2024. Equity securities represented 75.0% and 43.7% of DBF's unrealized losses as of December 31, 2025 and 2024, respectively. The group of securities in an unrealized loss position for less than twelve months was comprised of 167 and 223 securities for DBF as of December 31, 2025 and 2024. The group of securities depressed for twelve months or more was 308 and 320 as of December 31, 2025 and 2024.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

The fixed income securities in an unrealized loss position are primarily investment grade securities with extended maturity dates, which have been primarily impacted by a change in interest rates after the purchase date. As part of DBF's ongoing security monitoring process by a committee of investment and accounting professionals, DBF has reviewed its investment portfolio, including common stocks, and concluded that there are no other-than-temporary impairments as of December 31, 2025 and 2024.

The evaluation for other-than-temporary impairments ("OTTI") is a quantitative and qualitative process, which is subject to risks and uncertainties in the determination of whether declines in the fair value of investments are other-than-temporary. The risks and uncertainties include changes in general economic conditions, the issuer's financial condition or near-term recovery prospects and the effects of changes in interest rates.

SSAP No. 43 – *Asset-Backed Securities* ("SSAP No. 43") requires that OTTI be recognized in earnings for a loan-backed or structured security in an unrealized loss position when it is anticipated that the amortized cost basis will not be recovered. In such situations, the OTTI recognized in earnings is the entire difference between the security's amortized cost and its fair value if either (i) DBF intends to sell the security; or (ii) DBF does not have the intent and ability to retain the security for the time sufficient to recover the amortized cost basis. If neither of these two conditions exists, and DBF has the intent and ability to hold the security but does not expect to recover the entire amortized cost, the difference between the amortized cost basis of the security and the present value of projected future cash flows expected to be collected is recognized as an OTTI in earnings.

There are no amounts included in 2025 and 2024 for realized impairment losses for DBF related to SSAP No. 43 *Asset-Backed Securities*. There are no additional impairments recorded in 2025 and 2024 on the basis that the present value of future expected cash flows is less than the amortized cost basis of the security as losses are identified on the basis that DBF was unable to retain the security until recovery of amortized cost.

A. Fair Value of Financial Instruments:

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period.

DBF evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to the total investment portfolio.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

A. Fair Value of Financial Instruments: (continued)

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale. The fair value of a liability is the amount at which that liability could be incurred or settled in a current transaction between willing parties, that is, other than in a forced or liquidation sale.

Fair values are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analysis, incorporating current market inputs for similar financial instruments with comparable terms and credit quality (matrix pricing). In instances where there is little or no market activity for the same or similar instruments, DBF estimates fair value using methods, models and assumptions that management believes market participants would use to determine a current transaction price. These valuation techniques involve some level of management's estimation and judgment, which becomes significant with increasingly complex instruments or pricing models. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model or input used.

SSAP No. 100 – *Fair Value Measurement* defines fair value, establishes a framework for measuring fair value and establishes disclosure requirements about fair value. Included in various investment related line items in the statutory basis financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds when NAIC designations fall below a 2 and, therefore, are carried at the lower of cost or market.

When available, DBF used quoted market prices to determine the fair value of the aforementioned investment securities. When quoted market prices are not readily available or representative of fair value, pricing determinations are made based on the results of valuation models using observable market data such as recently reported trades, bid and offer information and benchmark securities. There are no investments with unobservable inputs held by DBF as of December 31, 2025 and 2024. Unobservable inputs reflect DBF's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

A. Fair Value of Financial Instruments: (continued)

DBF's financial assets and liabilities carried at fair value, as well as where fair value is disclosed, have been classified, for disclosure purposes, based on the SSAP No. 100 *Fair Value* hierarchy. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

The levels of the fair value hierarchy are as follows:

Level 1 – Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect DBF's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

A. Fair Value of Financial Instruments: (continued)

The following tables provide information as of December 31, 2025 and 2024 about DBF's assets carried at fair value along with a brief description of the valuation technique for each type of asset.

	2025			
	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Common stocks	\$ 36,946	\$ -	\$ -	\$ 36,946
Total assets at fair value	<u>\$ 36,946</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,946</u>

	2024			
	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Common stocks	\$ 31,483	\$ -	\$ -	\$ 31,483
Total assets at fair value	<u>\$ 31,483</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,483</u>

The following tables provide information as of December 31, 2025 and 2024 about DBF's assets disclosed at aggregate fair value along with a brief description of the valuation technique for each type of asset.

Type of Financial Instrument	2025				
	Aggregate Fair Value	Admitted Assets	Fair Value		
			Level 1	Level 2	Level 3
Bonds	\$ 312,286	\$ 310,709	\$ -	\$ 312,286	\$ -
Common Stocks	36,946	36,946	36,946	-	-
Short-term investments	138,344	138,288	136,355	1,989	-
Security lending collateral assets	2,257	2,257	2,257	-	-
Total	<u>\$ 489,833</u>	<u>\$ 488,200</u>	<u>\$ 175,558</u>	<u>\$ 314,275</u>	<u>\$ -</u>

Type of Financial Instrument	2024				
	Aggregate Fair Value	Admitted Assets	Fair Value		
			Level 1	Level 2	Level 3
Bonds	\$ 164,871	\$ 166,727	\$ -	\$ 164,871	\$ -
Common Stocks	31,483	31,483	31,483	-	-
Short-term investments	257,120	257,120	257,120	-	-
Security lending collateral assets	2,138	2,138	2,138	-	-
Total	<u>\$ 455,612</u>	<u>\$ 457,468</u>	<u>\$ 290,741</u>	<u>\$ 164,871</u>	<u>\$ -</u>

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 3 - INVESTMENTS (CONTINUED)

A. Fair Value of Financial Instruments: (continued)

Securities classified as Level 1 included primarily common stocks, money market mutual funds, cash equivalents and treasury notes (collateral assets) where there are quoted prices in active markets for identical securities. Unadjusted quoted prices for these securities are provided to DBF by independent pricing services. Level 2 securities include all bonds, mortgage-backed securities including hybrid securities with pricing using bid evaluations or matrix pricing. Matrix pricing takes quoted prices of bonds with similar features and applies analytic methods to determine the fair value of bonds held. Features that are inputs into the analysis include duration, credit quality, tax status and call and sinking fund features. DBF does not have any Level 3 securities. The valuation methodology has been applied consistently.

There were no significant transfers into or out of Level 3 during 2025 and 2024.

B. Subprime Mortgage Exposure:

DBF had no exposures to subprime mortgage loans at December 31, 2025 and 2024.

C. Wash Sales:

In the course of DBF's management of investment portfolio, securities may be sold at a loss and repurchased within 30 days of the sale date to enhance DBF's yield on its investment portfolio. In accordance with NAIC guidelines, DBF did not sell any securities at a loss or in a loss position with a NAIC designation from 3 to 6 for the years ended December 31, 2025 and 2024 that were reacquired within 30 days of the sale date.

D. Restricted Assets:

The following table provides information on amounts and the nature of assets pledged as collateral or otherwise restricted by DBF as of December 31:

Restricted Asset Category	Admitted Restricted		Increase/ Decrease	Nonadmitted Restricted
	12/31/2025	12/31/2024		
Collateral held under security lending agreements	\$ 20,547	\$ 13,864	\$ 6,683	\$ -

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 4 - NON-ADMITTED ASSETS

The non-admitted assets of DBF at December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Premium in course of collection outstanding over 90 days, net of allowance	\$ 2,634	\$ 2,619
Earned but unbilled premiums	291	-
Prepaid expenses	<u>262</u>	<u>239</u>
Total non-admitted assets	<u>\$ 3,187</u>	<u>\$ 2,858</u>

NOTE 5 - RELATED PARTY TRANSACTIONS

Expenses allocated to DBF from WCF were \$5,943 in 2025 and \$5,916 in 2024. The amount owed to WCF at December 31, 2025 and 2024 from DBF is \$2,264 and \$2,325.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 6 - RESERVES FOR LOSSES, LOSS ADJUSTMENT EXPENSES AND THE PFL RISK POOL PAYABLE

Activity in the reserves for losses, loss adjustment expenses and the PFL risk pool payable is summarized as follows:

	<u>2025</u>	<u>2024</u>
Opening balance - reserves:		
Reserves for losses	\$ 11,663	\$ 10,438
PFL risk pool payable	20,095	13,700
Reserve for loss adjustment expenses	<u>1,720</u>	<u>1,963</u>
Balance - January 1	<u>33,478</u>	<u>26,101</u>
Incurred claims related to:		
Current year	95,935	88,268
Prior year	(2,236)	(5,888)
Change in PFL risk pool payable	<u>4,189</u>	<u>6,395</u>
Total incurred	<u>97,888</u>	<u>88,775</u>
Paid claims related to:		
Current year	59,594	56,751
Prior year	8,983	8,769
PFL risk pool paid	<u>24,285</u>	<u>15,878</u>
Total paid	<u>92,862</u>	<u>81,398</u>
Ending balance - reserves:		
Reserves for losses	12,457	11,663
PFL risk pool payable	24,285	20,095
Reserve for loss adjustment expenses	<u>1,762</u>	<u>1,720</u>
Balance - December 31	<u><u>\$ 38,504</u></u>	<u><u>\$ 33,478</u></u>

Loss reserves are estimates based upon generally accepted actuarial methods using currently available data. DBF loss reserves also include an estimate of the PFL risk adjustment pool invoice for the year, which is not received typically until June of the following year. Loss reserve estimates are refined periodically as experience develops and claims are reported and settled, potentially resulting in increases or decreases to DBF reserves, both of which are recognized during the period in which these redeterminations are made. The difference between the estimate of the PFL risk adjustment pool invoice as of the prior year-end and the actual invoice is recognized in the year in which the invoice is paid.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 7 - SURPLUS

There are no restrictions placed on DBF's surplus.

Changes in balances of appropriated surplus funds from December 31, 2024 to December 31, 2025 are discussed in Note 2G.

Unassigned surplus reflects the accumulated balance of unrealized investment gains of \$11,545 at December 31, 2025 and non-admitted assets of (\$3,187) and (\$2,858) as of December 31, 2025 and 2024.

NOTE 8 - OTHER UNDERWRITING EXPENSES

The components of other underwriting expenses are as follows:

	<u>2025</u>	<u>2024</u>
Salaries and payroll taxes	\$ 3,338	\$ 3,225
Employee relations and welfare	1,298	1,320
Insurance	5	6
Travel and travel items	8	5
Rent and rent items	151	174
Equipment	16	9
Taxes, licenses and fees	2,310	2,175
Cost or depreciation of EDP equipment and software	456	419
Printing and stationery	21	41
Postage and telephone	182	182
Legal and auditing	247	354
Miscellaneous expenses	<u>148</u>	<u>139</u>
Total	<u>\$ 8,180</u>	<u>\$ 8,049</u>

NOTE 9 - CONTINGENCIES

From time to time, DBF is involved in pending and threatened litigation in the normal course of business in which claims for monetary damages are asserted. In the opinion of management, the ultimate liability, if any, arising from such pending or threatened litigation is not expected to have material effect on the results of operations, liquidity or the financial position of DBF.

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2025 and 2024
(in thousands)**

NOTE 10 - SUBSEQUENT EVENTS

Subsequent events have been reviewed in accordance with SSAP No. 9, *Subsequent Events*, for both annual statement reporting and through issuance of these audited statutory basis financial statements. Subsequent events were initially reviewed through February 26, 2026 when the annual statement was filed with the NAIC and DFS. After that date, subsequent events have been reviewed through May 20, 2026, the date which these audited statements were available to be issued.

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Commissioners of
The State Insurance Fund Disability Benefits Fund
New York, New York

We have audited the statutory basis financial statements of the State Insurance Fund Disability Benefits Fund as of December 31, 2025 and 2024, and for each of the years then ended, and have issued our report thereon dated May 20, 2026, which expressed an unmodified opinion on those statutory basis financial statements. Our audits were conducted for the purpose of forming an opinion on the statutory basis financial statements as a whole. The statutory basis supplementary investment risk interrogatories and statutory basis supplementary summary investment schedule are presented for purposes of additional analysis and are not a required part of the statutory basis financial statements, but is information required to be presented to comply with the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures Manual and the NAIC Annual Statement Instructions. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the statutory basis financial statements. The information has been subjected to the auditing procedures applied in the audits of the statutory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the statutory basis financial statements or to the statutory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the statutory basis financial statements as a whole.



EISNERAMPER LLP
New York, New York
May 20, 2026

**STATUTORY BASIS SUPPLEMENTARY SCHEDULES
SUPPLIED IN COMPLIANCE WITH THE NATIONAL ASSOCIATION
OF INSURANCE COMMISSIONERS' INSTRUCTIONS TO
ANNUAL AUDITED FINANCIAL REPORTS**

STATE INSURANCE FUND DISABILITY BENEFITS FUND

Statutory Basis Supplementary Schedule of Investment Risk Interrogatories Year Ended December 31, 2025

Of The State Insurance Fund Disability Benefits Fund

Address (City, State, Zip Code): 199 Church Street, New York, New York, US 10007

NAIC Group Code: 0000

NAIC Company Code: 36103

Employer's ID Number: 13-3098552

The Investment Risks Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.

Answer the following interrogatories by reporting the applicable U. S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. \$ 540,189,096

2. Ten largest exposures to a single issuer/borrower/investment.

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
	<u>Issuer</u>	<u>Description of Exposure</u>	<u>Amount</u>	<u>Percentage of Total Admitted Assets</u>
2.01	Toyota	Bonds and Stocks	\$ 9,533,843	 1.765 %
2.02	Enterprise Fleet Financing	Bonds	\$ 7,317,400	 1.355 %
2.03	Federal Home Loan Mortgage Corporation	Bonds	\$ 6,580,047	 1.218 %
2.04	Benchmark Mortgage Trust	Bonds	\$ 6,395,376	 1.184 %
2.05	American Express Co	Bonds and Stocks	\$ 6,277,090	 1.162 %
2.06	Barclays Commerical Mortgage Trust	Bonds	\$ 5,580,227	 1.029 %
2.07	Apple Inc	Bonds and Stocks	\$ 5,355,705	 0.991 %
2.08	Alphabet Inc	Bonds and Stocks	\$ 5,355,444	 0.991 %
2.09	JPMorgan Chase & Co	Bonds and Stocks	\$ 5,065,818	 0.938 %
2.10	Microsoft Corp	Bonds and Stocks	\$ 5,011,548	 0.928 %

3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC designation.

	<u>Bonds</u>	<u>1</u>	<u>2</u>		<u>Preferred Stocks</u>	<u>3</u>	<u>4</u>
3.01	NAIC 1 \$	441,433,058	81.718 %	3.07	NAIC 1	\$	%
3.02	NAIC 2 \$	7,563,127	1.400 %	3.08	NAIC 2	\$	%
3.03	NAIC 3 \$		%	3.09	NAIC 3	\$	%
3.04	NAIC 4 \$		%	3.10	NAIC 4	\$	%
3.05	NAIC 5 \$		%	3.11	NAIC 5	\$	%
3.06	NAIC 6 \$		%	3.12	NAIC 6	\$	%

4. Assets held in foreign investments:

4.01 Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ()

If response, to 4.01 above is yes, responses are not required for interrogatories 5 - 10.

4.02	Total admitted assets held in foreign investments.	\$ 11,957,315	 2.214 %
4.03	Foreign-currency-denominated investments.	\$	 %
4.04	Insurance liabilities denominated in that same foreign currency.	\$	 %

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Statutory Basis Supplementary Schedule of Investment Risk Interrogatories
Year Ended December 31, 2025**

5. Aggregate foreign investment exposure categorized by NAIC sovereign designation:

	<u>1</u>	<u>2</u>	
5.01 Countries designated NAIC 1	\$		%
5.02 Countries designated NAIC 2	\$		%
5.03 Countries designated NAIC 3 or below	\$		%

6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign designation:

	<u>1</u>	<u>2</u>	
Countries designated NAIC 1:			
6.01 Country 1:	\$		%
6.02 Country 2:	\$		%
Countries designated NAIC 2:			
6.03 Country 1:	\$		%
6.04 Country 2:	\$		%
Countries designated NAIC 3 or below:			
6.05 Country 1:	\$		%
6.06 Country 2:	\$		%

7. Aggregate unhedged foreign currency exposure

<u>1</u>	<u>2</u>	
\$		%

8. Aggregate unhedged foreign currency exposure categorized by NAIC sovereign designation:

	<u>1</u>	<u>2</u>	
8.01 Countries designated NAIC 1	\$		%
8.02 Countries designated NAIC 2	\$		%
8.03 Countries designated NAIC 3 or below	\$		%

9. Largest unhedged foreign currency exposures by country, categorized by the country's NAIC sovereign designation:

	<u>1</u>	<u>2</u>	
Countries designated NAIC 1:			
9.01 Country 1:	\$		%
9.02 Country 2:	\$		%
Countries designated NAIC 2:			
9.03 Country 1:	\$		%
9.04 Country 2:	\$		%
Countries designated NAIC 3 or below:			
9.05 Country 1:	\$		%
9.06 Country 2:	\$		%

10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:

	<u>1</u>	<u>2</u>	
	<u>Issuer</u>	<u>NAIC Designation</u>	
10.01			\$
10.02			\$
10.03			\$
10.04			\$
10.05			\$
10.06			\$
10.07			\$
10.08			\$
10.09			\$
10.10			\$

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Statutory Basis Supplementary Schedule of Investment Risk Interrogatories
Year Ended December 31, 2025**

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure:

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets?

Yes (X) No ()

If response to 11.01 is yes, detail is not required for the remainder of Interrogatory 11.

	<u>1</u>	<u>2</u>	
11.02 Total admitted assets held in Canadian Investments	\$		%
11.03 Canadian-currency-denominated investments	\$		%
11.04 Canadian-denominated insurance liabilities	\$		%
11.05 Unhedged Canadian currency exposure	\$		%

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions.

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets?

Yes (X) No ()

If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.

	<u>1</u>	<u>2</u>	<u>3</u>	
12.02 Aggregate statement value of investments with contractual sales restrictions	\$			%
Largest three investments with contractual sales restrictions:				
12.03	\$			%
12.04	\$			%
12.05	\$			%

13. Amounts and percentages of admitted assets held in the ten largest equity interests:

13.01 Are assets held in equity interests less than 2.5% of the reporting entity's total admitted assets?

Yes () No (X)

If response to 13.01 above is yes, responses are not required for the remainder of Interrogatory 13.

	<u>1</u> <u>Issuer</u>	<u>2</u>	<u>3</u>	
13.02 NVIDIA Corp		\$ 2,567,919	.....	0.475 %
13.03 Apple Inc		\$ 2,331,743	.....	0.432 %
13.04 Microsoft Corp		\$ 2,110,034	.....	0.391 %
13.05 Alphabet Inc		\$ 1,945,647	.....	0.360 %
13.06 Amazon.com Inc		\$ 1,302,517	.....	0.241 %
13.07 Broadcom Inc		\$ 940,354	.....	0.174 %
13.08 Meta Platforms Inc		\$ 848,216	.....	0.157 %
13.09 Tesla Inc		\$ 746,535	.....	0.138 %
13.10 Berkshire Hathway Inc		\$ 546,883	.....	0.101 %
13.11 JPMorgan Chase & Co		\$ 515,552	.....	0.095 %

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Statutory Basis Supplementary Schedule of Investment Risk Interrogatories
Year Ended December 31, 2025**

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:

14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ()

If response to 14.01 is yes, responses are not required for 14.02 through 14.05.

	<u>1</u>	<u>2</u>	<u>3</u>
14.02 Aggregate statement value of investments held in nonaffiliated, privately placed equities		\$	 %
Largest 3 investments held in nonaffiliated, privately placed equities:			
14.03		\$	 %
14.04		\$	 %
14.05		\$	 %

Ten largest fund managers:

	<u>1</u> <u>Fund Manager</u>	<u>2</u> <u>Total Invested</u>	<u>3</u> <u>Diversified</u>	<u>4</u> <u>Nondiversified</u>
14.06		\$	\$	\$
14.07		\$	\$	\$
14.08		\$	\$	\$
14.09		\$	\$	\$
14.10		\$	\$	\$
14.11		\$	\$	\$
14.12		\$	\$	\$
14.13		\$	\$	\$
14.14		\$	\$	\$
14.15		\$	\$	\$

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ()

If response to 15.01 is yes, responses are not required for the remainder of Interrogatory 15.

	<u>1</u>	<u>2</u>	<u>3</u>
15.02 Aggregate statement value of investments in general partnership interests.		\$	 %
Largest three investments held in general partnership interests:			
15.03 0		\$	 %
15.04 0		\$	 %
15.05 0		\$	 %

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:

16.01 Are mortgage loans reported in Schedule B less than 2.5 % of the reporting entity's total admitted assets? Yes (X) No ()

If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

	<u>1</u> <u>Type (Residential, Commercial, Agricultural)</u>	<u>2</u>	<u>3</u>
16.02 0		\$	 %
16.03 0		\$	 %
16.04 0		\$	 %
16.05 0		\$	 %
16.06 0		\$	 %
16.07 0		\$	 %
16.08 0		\$	 %
16.09 0		\$	 %
16.10 0		\$	 %
16.11 0		\$	 %

Amount and percentage of the reporting entity's total admitted assets held in the following categories of mortgage loans:

	<u>Loans</u>
16.12 Construction loans	\$ %
16.13 Mortgage loans over 90 days past due	\$ %
16.14 Mortgage loans in the process of foreclosure	\$ %
16.15 Mortgage loans foreclosed	\$ %
16.16 Restructured mortgage loans	\$ %

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Statutory Basis Supplementary Schedule of Investment Risk Interrogatories
Year Ended December 31, 2025**

17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:

<u>Loan-to-Value</u>	<u>Residential</u>			<u>Commercial</u>			<u>Agricultural</u>		
	<u>1</u>	<u>2</u>		<u>3</u>	<u>4</u>		<u>5</u>	<u>6</u>	
17.01 above 95%	\$		%	\$		%	\$		%
17.02 91% to 95%	\$		%	\$		%	\$		%
17.03 81% to 90%	\$		%	\$		%	\$		%
17.04 71% to 80%	\$		%	\$		%	\$		%
17.05 below 70%	\$		%	\$		%	\$		%

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments real estate:

18.01 Are assets held in real estate reported in less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ()

If response to 18.01 above is yes, responses are not required for the remainder of Interrogatory 18.

Largest five investments in any one parcel or group of contiguous parcels of real estate.

<u>Description</u>	<u>1</u>	<u>2</u>	<u>3</u>
18.02		\$	 %
18.03		\$	 %
18.04		\$	 %
18.05		\$	 %
18.06		\$	 %

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans:

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ()

If response to 19.01 above is yes, responses are not required for the remainder of Interrogatory 19.

<u>1</u>	<u>2</u>	<u>3</u>
19.02 Aggregate statement value of investments held in mezzanine real estate loans:	\$	 %
Largest three investments held in mezzanine real estate loans:		
19.03	\$	 %
19.04	\$	 %
19.05	\$	 %

20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:

	<u>At Year-End</u>		<u>At End of Each Quarter</u>		
	<u>1</u>	<u>2</u>	<u>1st Qtr</u> <u>3</u>	<u>2nd Qtr</u> <u>4</u>	<u>3rd Qtr</u> <u>5</u>
20.01 Securities lending agreements (do not include assets held as collateral for such transactions)	\$ 19,906,678	 3.685 %	\$ 5,073,226	\$ 17,181,966	\$ 9,614,755
20.02 Repurchase agreements	\$	 %	\$	\$	\$
20.03 Reverse repurchase agreements	\$	 %	\$	\$	\$
20.04 Dollar repurchase agreements	\$	 %	\$	\$	\$
20.05 Dollar reverse repurchase agreements	\$	 %	\$	\$	\$

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Statutory Basis Supplementary Schedule of Investment Risk Interrogatories
Year Ended December 31, 2025**

21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps, and floors:

<u>Owed</u>			<u>Written</u>		
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
21.01 Hedging	\$	 %	\$	 %	
21.02 Income generation	\$	 %	\$	 %	
21.03 Other	\$	 %	\$	 %	

22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:

<u>At Year-End</u>			<u>At End of Each Quarter</u>		
	<u>1</u>	<u>2</u>	<u>1st Qtr</u> <u>3</u>	<u>2nd Qtr</u> <u>4</u>	<u>3rd Qtr</u> <u>5</u>
22.01 Hedging	\$	 %	\$	\$	\$
22.02 Income generation	\$	 %	\$	\$	\$
22.03 Replications	\$	 %	\$	\$	\$
22.04 Other	\$	 %	\$	\$	\$

23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for futures contracts:

<u>At Year-End</u>			<u>At End of Each Quarter</u>		
	<u>1</u>	<u>2</u>	<u>1st Qtr</u> <u>3</u>	<u>2nd Qtr</u> <u>4</u>	<u>3rd Qtr</u> <u>5</u>
23.01 Hedging	\$	 %	\$	\$	\$
23.02 Income generation	\$	 %	\$	\$	\$
23.03 Replications	\$	 %	\$	\$	\$
23.04 Other	\$	 %	\$	\$	\$

**STATE INSURANCE FUND
DISABILITY BENEFITS FUND**

**Statutory Basis Supplementary Summary Investment Schedule
Year Ended December 31, 2025**

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage of Column 1 Line 14	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3+4) Amount	6 Percentage of Column 5 Line 14
1. Issuer credit obligations (Schedule D, Part 1, Section 1):						
1.01 U. S. government obligations	20,013,455	3.890	20,013,456		20,013,456	3.890
1.02 Other U. S. government obligations						
1.03 Non-U. S. sovereign jurisdiction securities						
1.04 Municipal bonds - general obligations (direct & guaranteed)						
1.05 Municipal bonds - special revenue						
1.06 Project finance bonds issued by operating entities						
1.07 Corporate bonds	125,293,708	24.354	125,293,707		125,293,707	24.354
1.08 Mandatory convertible bonds						
1.09 Single entity backed obligations	14,258,550	2.772	14,258,550		14,258,550	2.772
1.10 SVO-identified bond exchange traded funds - fair value						
1.11 SVO-identified bond exchange traded funds - systematic value						
1.12 Bonds issued by funds representing operating entities	7,336,177	1.426	7,336,177		7,336,177	1.426
1.13 Bank loans - issued						
1.14 Bank loans - acquired						
1.15 Mortgage loans that qualify as SVO-identified credit tenant loans						
1.16 Certificates of deposit						
1.17 Other issuer credit obligations						
1.18 Total issuer credit obligations	166,901,890	32.442	166,901,890		166,901,890	32.442
2. Asset-backed securities (Schedule D, Part 1, Section 2):						
2.01 Financial asset-backed securities - self-liquidating	96,602,596	18.777	96,602,601		96,602,601	18.777
2.02 Financial asset-backed securities - not self-liquidating						
2.03 Non-financial asset-backed securities	47,204,172	9.175	47,204,171		47,204,171	9.175
2.04 Total asset-backed securities	143,806,768	27.953	143,806,772		143,806,772	27.953
3. Preferred stocks (Schedule D, Part 2, Section 1):						
3.01 Industrial and miscellaneous (Unaffiliated)						
3.02 Parent, subsidiaries and affiliates						
3.03 Total preferred stocks						
4. Common stocks (Schedule D, Part 2, Section 2):						
4.01 Industrial and miscellaneous Publicly traded (Unaffiliated)	36,898,130	7.172	36,898,130		36,898,130	7.172
4.02 Industrial and miscellaneous Other (Unaffiliated)	7,020	0.001	7,020		7,020	0.001
4.03 Parent, subsidiaries and affiliates Publicly traded						
4.04 Parent, subsidiaries and affiliates Other						
4.05 Mutual funds	40,705	0.008	40,705		40,705	0.008
4.06 Unit investment trusts						
4.07 Closed-end funds						
4.08 Exchange traded funds						
4.09 Total common stocks	36,945,855	7.181	36,945,855		36,945,855	7.181
5. Mortgage loans (Schedule B):						
5.01 Farm mortgages						
5.02 Residential mortgages						
5.03 Commercial mortgages						
5.04 Mezzanine real estate loans						
5.05 Total valuation allowance						
5.06 Total mortgage loans						
6. Real estate (Schedule A):						
6.01 Properties occupied by company						
6.02 Properties held for production of income						
6.03 Properties held for sale						
6.04 Total real estate						
7. Cash, cash equivalents and short-term investments:						
7.01 Cash (Schedule E, Part 1)	26,257,848	5.104	26,257,848		26,257,848	5.104
7.02 Cash equivalents (Schedule E, Part 2)				2,257,479	2,257,479	0.439
7.03 Short-term investments (Schedule DA)	138,287,524	26.880	138,287,524		138,287,524	26.880
7.04 Total cash, cash equivalents and short-term investments	164,545,372	31.984	164,545,372	2,257,479	166,802,851	32.423
8. Contract loans						
9. Derivatives (Schedule DB)						
10. Other invested assets (Schedule BA)						
11. Receivables for securities	6,475	0.001	6,475		6,475	0.001
12. Securities Lending (Schedule DL, Part 1)	2,257,479	0.439	2,257,479	X X X	X X X	X X X
13. Other invested assets (Page 2, Line 11)						
14. Total invested assets	514,463,839	100.000	514,463,843	2,257,479	514,463,843	100.000

CONTACT NYSIF

CUSTOMER SERVICE

CustomerService@nysif.com
1-888-875-5790

NYSIF

PO Box 66699
Albany, NY 12206



New York State Insurance Fund

2025 ANNUAL REPORT

nysif.com

Governor

Kathy Hochul

Chair

Kenneth R. Theobalds

Executive Director & CEO

Gaurav Vasisht



© 2026 NYSIF. All rights reserved.